Form 3160-3
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: [X] DRILL [ ] REENTER	5. Lease Serial No. **UTU-71417**
	6. If Indian, Allottee or Tribe Name
	7. If Unit or CA Agreement, Name and No.
b. Type of Well: [ ] Oil Well [X] Gas Well [ ] Other [ ] Single Zone [X] Multiple Zone	8. Lease Name and Well No. **BITTER CREEK 1122-4H**
2. Name of Operator **KERR McGEE OIL & GAS ONSHORE LP**	9. API Well No. 43 047 39759
3A. Address **1368 SOUTH 1200 EAST VERNAL, UT 84078** / 3b. Phone No. *(include area code)* **(435) 781-7024**	10. Field and Pool, or Exploratory ~~UNDESIGNATED~~ Bitter Creek
4. Location of Well *(Report location clearly and in accordance with any State requirements. *)* At surface **SE/NE 2801'FNL, 953'FEL** 39.890476 -109.453274 At proposed prod. Zone 632245X 4416534	11. Sec., T., R., M., or Blk, and Survey or Area **SEC. 4, T11S, R22E**
14. Distance in miles and direction from nearest town or post office* **35.8 +/- MILES SOUTHEAST OF OURAY, UTAH**	12. County or Parish **UINTAH** / 13. State **UTAH**
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **953'** / 16. No. of Acres in lease **1520.00** / 17. Spacing Unit dedicated to this well **40.00**	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **REFER TO TOPO C** / 19. Proposed Depth **8270'** / 20. BLM/BIA Bond No. on file **BOND NO. WYB000291**	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) **5619'GL** / 22. Approximate date work will start* / 23. Estimated duration	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office.
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized office.

25. Signature	Name *(Printed/Typed)* **SHEILA UPCHEGO**	Date **10/29/2007**
Title **SENIOR LAND ADMIN SPECIALIST**		
Approved by *(Signature)*	Name *(Printed/Typed)* **BRADLEY G. HILL**	Date **11-07-07**
Title	Office **ENVIRONMENTAL MANAGER**	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**(Instructions on reverse)*

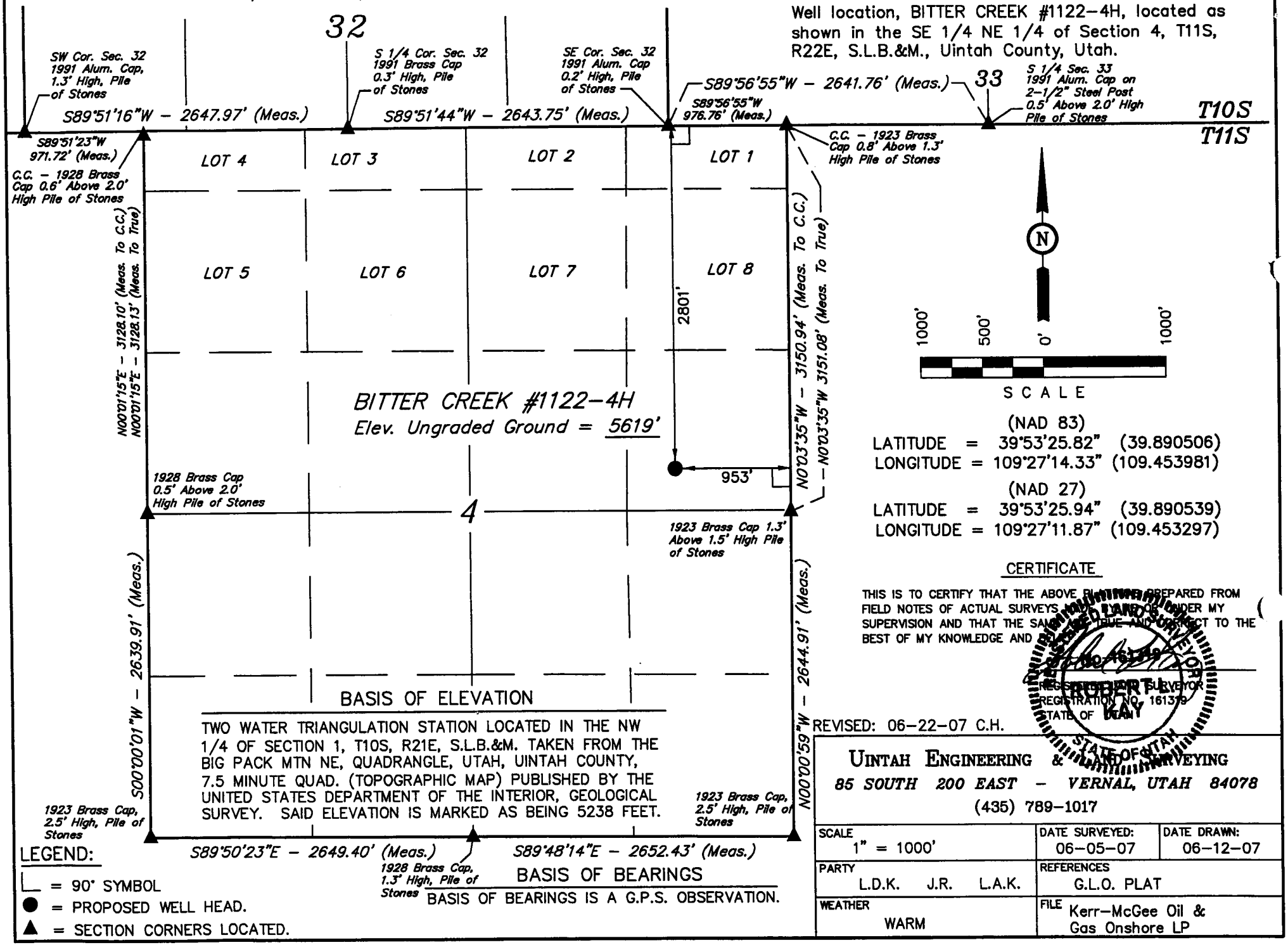
Federal Approval of this Action is Necessary

RECEIVED
NOV 0 2 2007
DIV. OF OIL, GAS & MINING

T11S, R22E, S.L.B.&M.

Kerr-McGee Oil & Gas Onshore LP

Well location, BITTER CREEK #1122-4H, located as shown in the SE 1/4 NE 1/4 of Section 4, T11S, R22E, S.L.B.&M., Uintah County, Utah.



(NAD 83)
LATITUDE = 39°53'25.82" (39.890506)
LONGITUDE = 109°27'14.33" (109.453981)

(NAD 27)
LATITUDE = 39°53'25.94" (39.890539)
LONGITUDE = 109°27'11.87" (109.453297)

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

REVISED: 06-22-07 C.H.

BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

LEGEND:

- └ = 90° SYMBOL
- ● = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE	DATE SURVEYED:	DATE DRAWN:
1" = 1000'	06-05-07	06-12-07
PARTY: L.D.K. J.R. L.A.K.	REFERENCES: G.L.O. PLAT	
WEATHER: WARM	FILE: Kerr-McGee Oil & Gas Onshore LP	

BITTER CREEK 1122-4H
SE/NE SEC. 4, T11S, R22E
UINTAH COUNTY, UTAH
UTU-71417

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. **Estimated Tops of Important Geologic Markers:**

Formation	Depth
Uinta	0- Surface
Green River	909'
Top of Birds Nest Water	1225'
Mahogany	1544'
Wasatch	3909'
Mesaverde	6265'
MVU2	7246'
MVL1	7871'
TD	8270'

2. **Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:**

Substance	Formation	Depth
	Green River	909'
Water	Top of Birds Nest Water	1225'
	Mahogany	1544'
Gas	Wasatch	3909'
Gas	Mesaverde	6265'
Gas	MVU2	7246'
Gas	MVL1	7871'
Water	N/A	
Other Minerals	N/A	

3. **Pressure Control Equipment** (Schematic Attached)

Please refer to the attached Drilling Program.

4. **Proposed Casing & Cementing Program:**

Please refer to the attached Drilling Program.

5. **Drilling Fluids Program:**

Please refer to the attached Drilling Program.

6. **Evaluation Program:**

Please refer to the attached Drilling Program.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 8270' TD, approximately equals 5127 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3308 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

Drilling is planned to commence immediately upon approval of this application.

9. **Variances:**

Please refer to the attached Drilling Program.

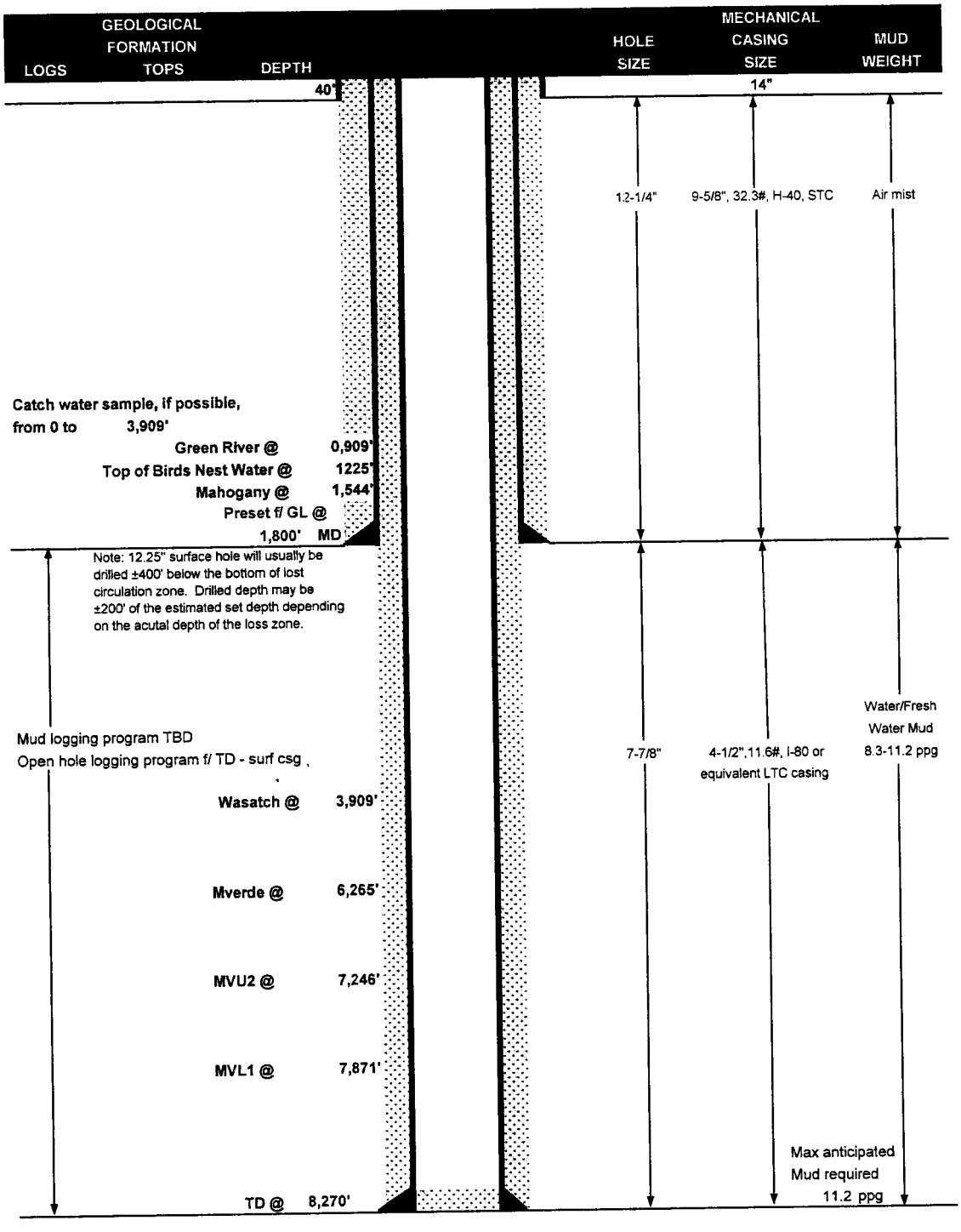
10. **Other Information:**

Please refer to the attached Drilling Program.

KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

COMPANY NAME	KERR-McGEE OIL & GAS ONSHORE LP		DATE	October 25, 2007	
WELL NAME	**BITTER CREEK 1122-4H**		TD	8,270' MD/TVD	
FIELD	Natural Buttes	COUNTY Uintah	STATE Utah	ELEVATION	5,618' GL KB 5,633'
SURFACE LOCATION	SE/NE SEC. 4, T11S, R22E 2801'FNL, 953'FEL			BHL	Straight Hole
	Latitude: 39.890506	Longitude: 109.453981			
OBJECTIVE ZONE(S)	Wasatch/Mesaverde				
ADDITIONAL INFO	Regulatory Agencies: BLM (SURF & MINERALS), UDGOM, Tri-County Health Dept.				



KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL			WT.	GR.	CPLG.	DESIGN FACTORS BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'						2270	1370	254000
SURFACE	9-5/8"	0	to	1800	32.30	H-40	STC	2.01	1.63	4.99
PRODUCTION	4-1/2"	0	to	8270	11.60	I-80	LTC	7780 / 2.60	6350 / 1.32	201000 / 2.40

1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)

2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)

(Burst Assumptions: TD = 11.2 ppg) .22 psi/ft = gradient for partially evac wellbore

(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

MASP 2997 psi

*Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft.

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE Option 1	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE Option 2		NOTE: If well will circulate water to surface, option 2 will be utilized					
	LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite +.25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	3,400'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	370	60%	11.00	3.38
	TAIL	4,870'	50/50 Poz/G + 10% salt + 2% gel +.1% R-3	1360	60%	14.30	1.31

*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

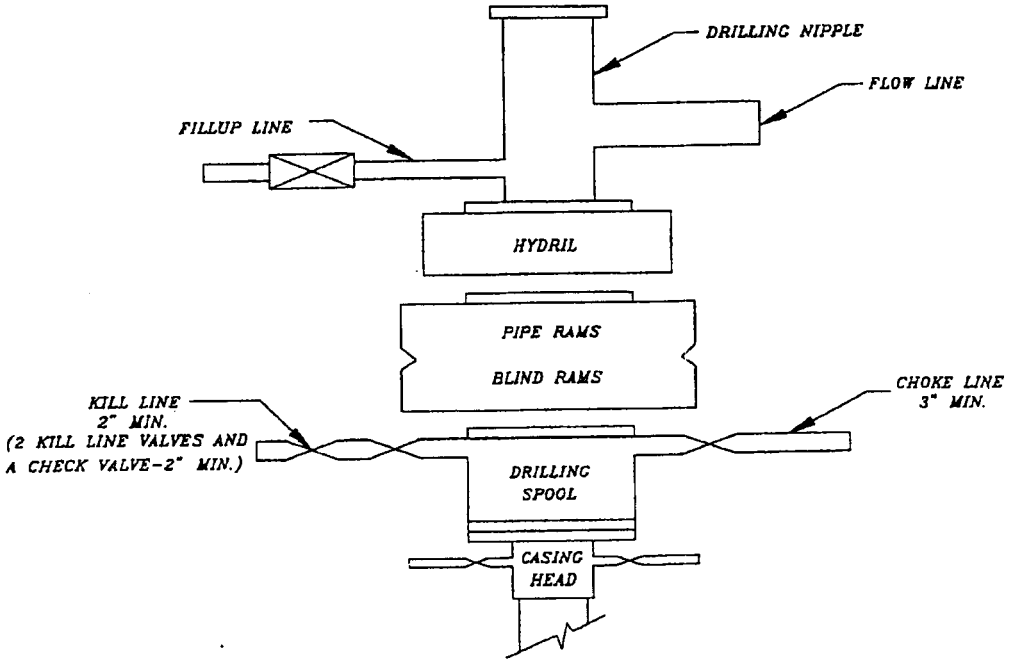
Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

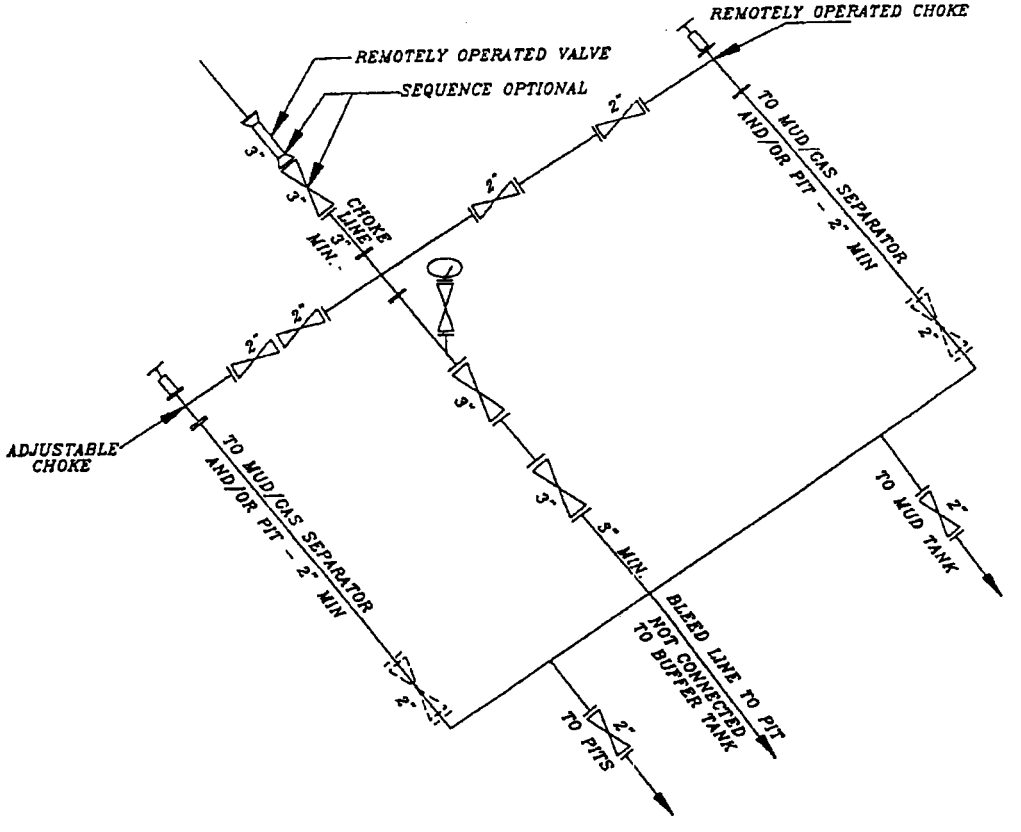
Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER: _____ **DATE:** _____
Brad Laney

DRILLING SUPERINTENDENT: _____ **DATE:** _____
Randy Bayne

5M BOP STACK and CHOKE MANIFOLD SYSTEM





BITTER CREEK 1122-4H
SE/NE SEC. 4, T11S, R22E
UINTAH COUNTY, UTAH
UTU-71417

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. **Existing Roads:**

Directions to the proposed location are attached.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. **Planned Access Roads:**

Approximately 0.15 +/- miles of access road is proposed. Refer to Topo Map B for the access road.

Approximately 320' +/- of re-route road is proposed. Refer to Topo Map B fot the access road.

The access road will be crowned (2 to 3%), ditched and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet. Graveling or capping the roadbed will be performed as necessary to provide a well constructed, safe road. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

Surface disturbance and vehicular traffic will be limited to the proposed location and proposed access route. Any additional area needed will be approved in advance. All construction shall be in conformance with the standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development. 1989.

The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear and free-flowing and will be maintained according to original construction standards. The access road surface will be kept free of trash during operations. All traffic will be confined to the approved disturbed surface. Road drainage crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing or shall the drainages be blocked by the road bed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Should mud holes develop, they shall be filled in and detours around them avoided. When snow is removed from the road during the winter months, the snow shall be pushed outside of the borrow ditches, and the turnouts kept clear so that snowmelt will be channeled away from the road.

3. **Location of Existing Wells Within a 1-Mile Radius:**

Please refer to Topo Map C.

4. **Location of Existing & Proposed Facilities & Pipelines:**

The following guidelines will apply if the well is productive.

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The requested color is Carlsbad Canyon (2.5 Y 6/2) as determined during the on-site inspection.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Variances to Best Management Practices (BMP) Requests:

Approximately 2200'+/- of 4" steel pipelines shall be installed to the proposed location. Refer to Topo Map D.

The pipeline will be butt-welded together. The pipeline shall be installed on surface within access corridor for the well location. As a Best Management Practice (BMP), the pipeline would be buried within the access road corridor if possible. The construction of pipelines requires the corridor of 30 feet.

This exception to the BMP should be granted by the BLM Authorized Officer because indurated bedrock, such as sandstone, is at or within 2 feet of the surface and the soil has a poor history for successful rehabilitation.

5. **Location and Type of Water Supply:**

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec.32, T4S,R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

6. **Source of Construction Materials:**

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

7. **Methods of Handling Waste Materials:**

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner is to be used as discussed during on-site inspection. It will be a minimum of 20 mil thick and felt with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec.35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E. (Request is in lieu of filing Form 3160-5, after initial production).

8. **Ancillary Facilities:**

None are anticipated.

9. **Well Site Layout:** (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

10. **Plans for Reclamation of the Surface:**

Producing Location:

Interim Surface Reclamation Plan:
When the pit is backfilled within 180 days of well completion, the operator shall spread the top soil pile on the location up to the rig anchor points. The location will be reshaped to the original contour to the extent possible. The operator will reseed the area using the BLM recommended seed mixture and reclamation methods.

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

When the pit is backfilled, the topsoil pile shall be spread on the location up to the rig anchor points. The location will be reshaped to the original contour to the extent possible. The following seed mixture will be used to reclaim the surface for interim reclamation using appropriate reclamation methods. A total of 12 lbs/acre will be used if the seeds are drilled (24 lbs/acre if the seeds are broadcast). The per acre requirements for drilled seeds are:

Galletta Grass	10 lbs.
Needle and Thread Grass	10 lbs

The operator shall call BLM for the seed mixture when final reclamation occurs.

11. Surface Ownership:

United States of America
Bureau of Land Management
170 South 500 East
Vernal, UT 84078
(435) 781-4400

12. STIPULATIONS:

WILDLIFE STIPULATIONS:

ANTELOPE: No drilling or construction from May 15th – June 20th.
SAGE GROUSE: No drilling or construction from March 1st – June 30th.

13. **Other Information:**

A Class III Archaeological Survey has been performed the report will be submitted when the report becomes available.
The Paleontological Reconnaissance Survey has been performed will be submitted when report becomes available.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance. The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

13. **Lessee's or Operators's Representative & Certification:**

Sheila Upchego
Senior Land Admin Specialist
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435) 781-7024

Randy Bayne
Drilling Manager
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435)781-7018

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil &Gas Onshore LP is considered to be the operator of the subject well. Westport Oil & Gas Company agrees to be responsible under the terms and the conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for the lease activities is being provided by BLM Nationwide Bond #WYB000291.

I hereby certify that the proposed drill site and access route has been inspected and that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Sheila Upchego

October 29, 2007
Date

Kerr-McGee Oil & Gas Onshore LP
BITTER CREEK #1122-4H
SECTION 4, T11S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 9.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 2.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #1122-4G TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATLEY 150' TO THE PROPOSED #1122-4G AND THE BEGINNING OF THE PROPOSED ACCESS TO THE EAST; FOLLOW ROAD FLAGS IN AN EASTERLY DIRECTION APPROXIMATLEY 0.15 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 54.65 MILES.

Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-4H

LOCATED IN UINTAH COUNTY, UTAH
SECTION 4, T11S, R22E, S.L.B.&M.

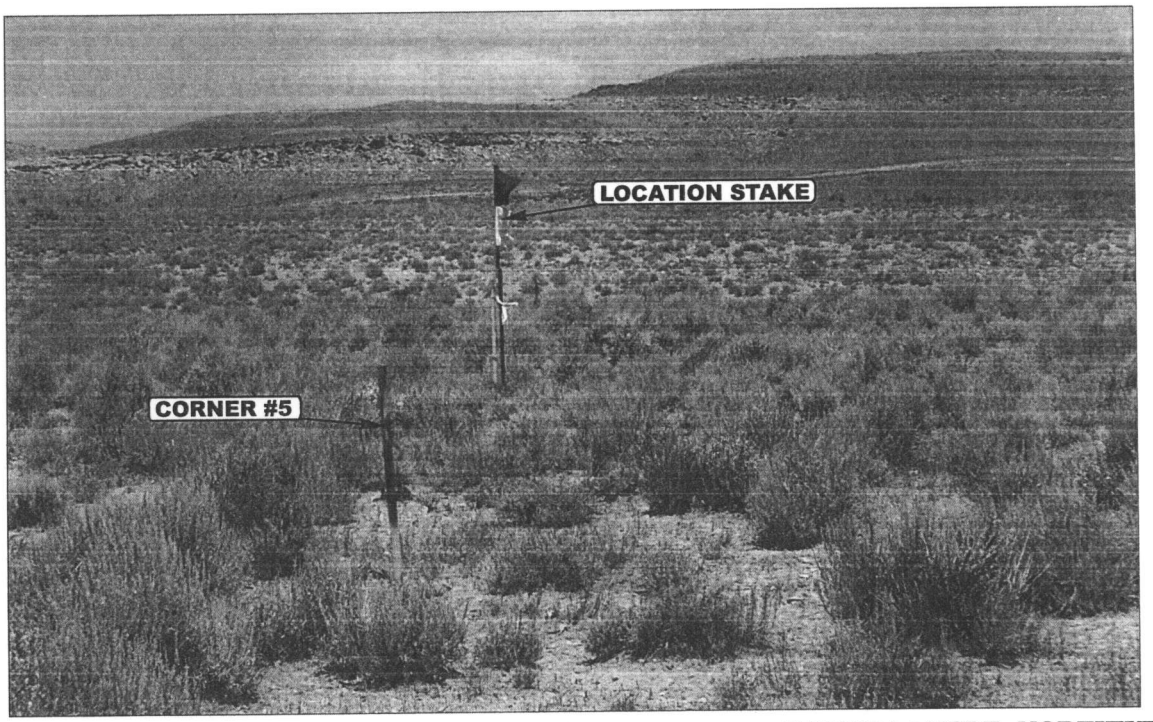


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE **CAMERA ANGLE: NORTHWESTERLY**

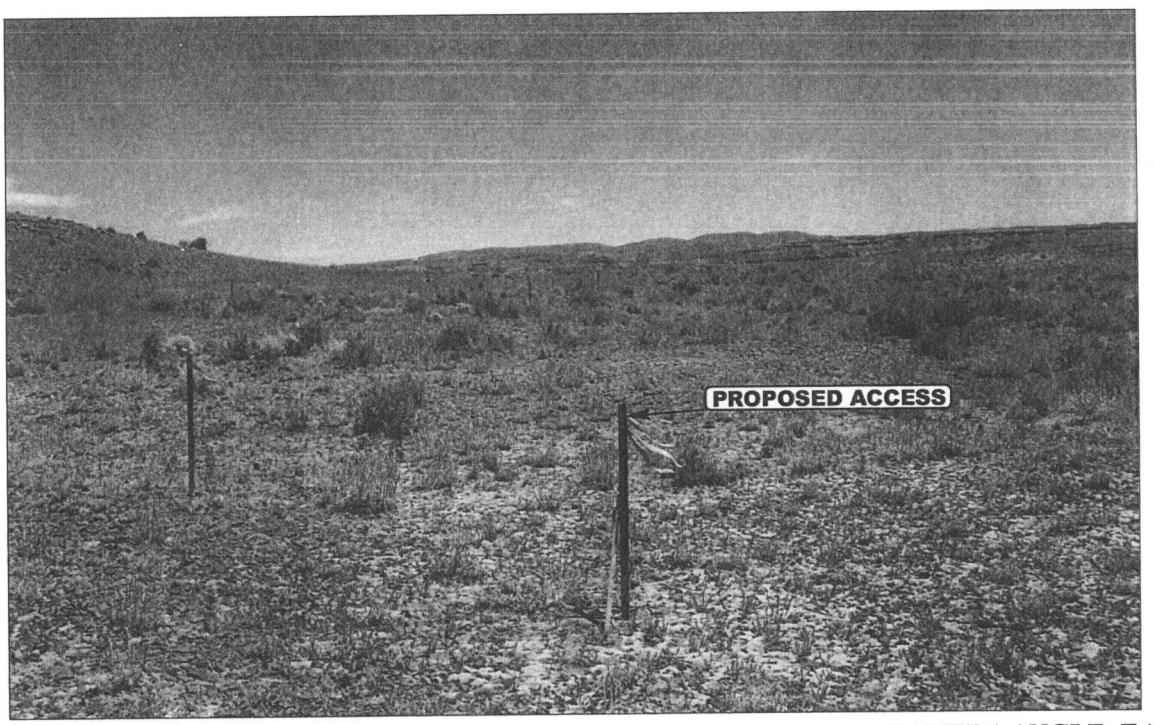
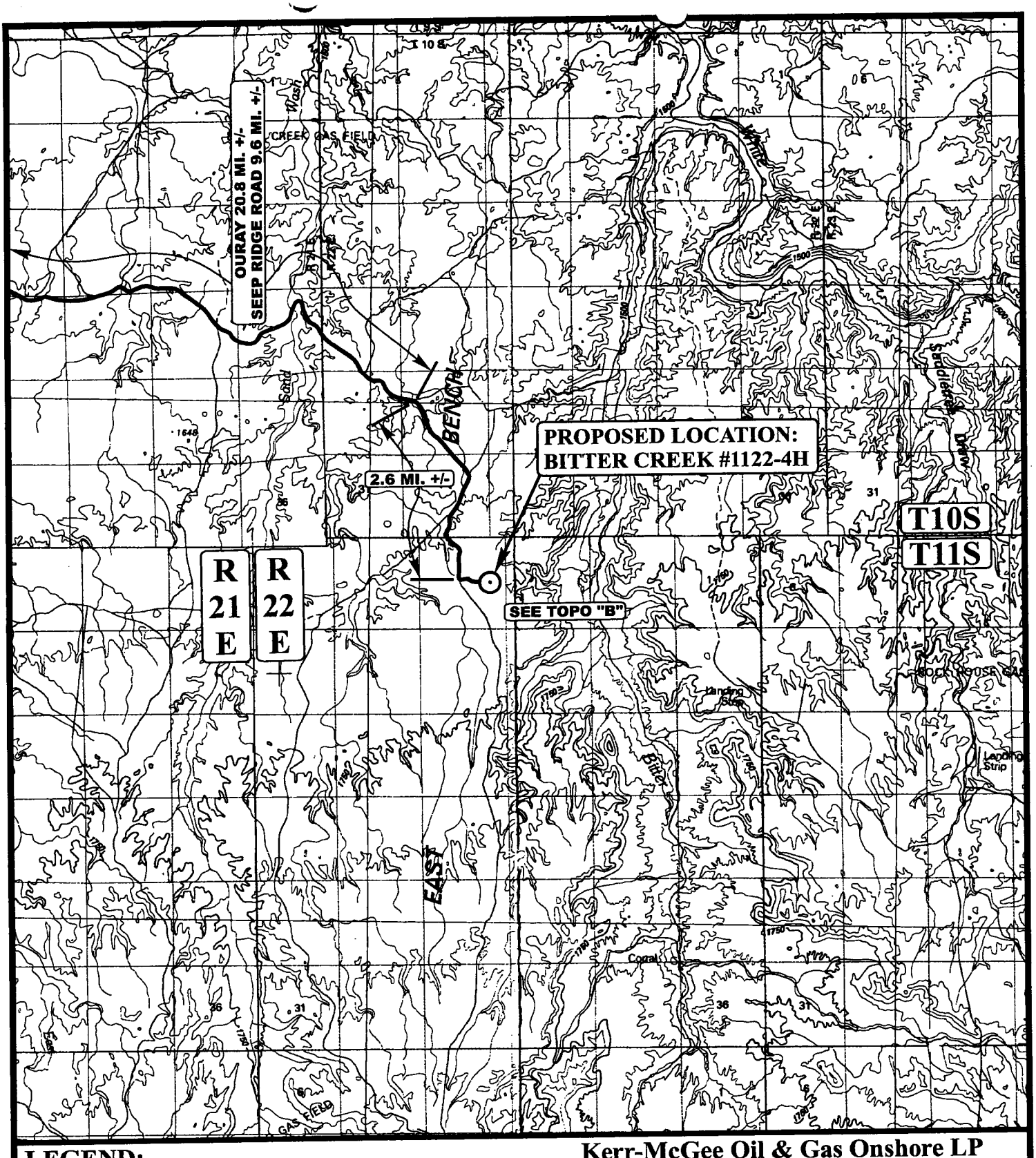


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS **CAMERA ANGLE: EASTERLY**

- Since 1964 -
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS	06 MONTH	12 DAY	07 YEAR	PHOTO
TAKEN BY: L.K.	DRAWN BY: C.P.	REVISED: 06-20-07		



LEGEND:

⊙ PROPOSED LOCATION

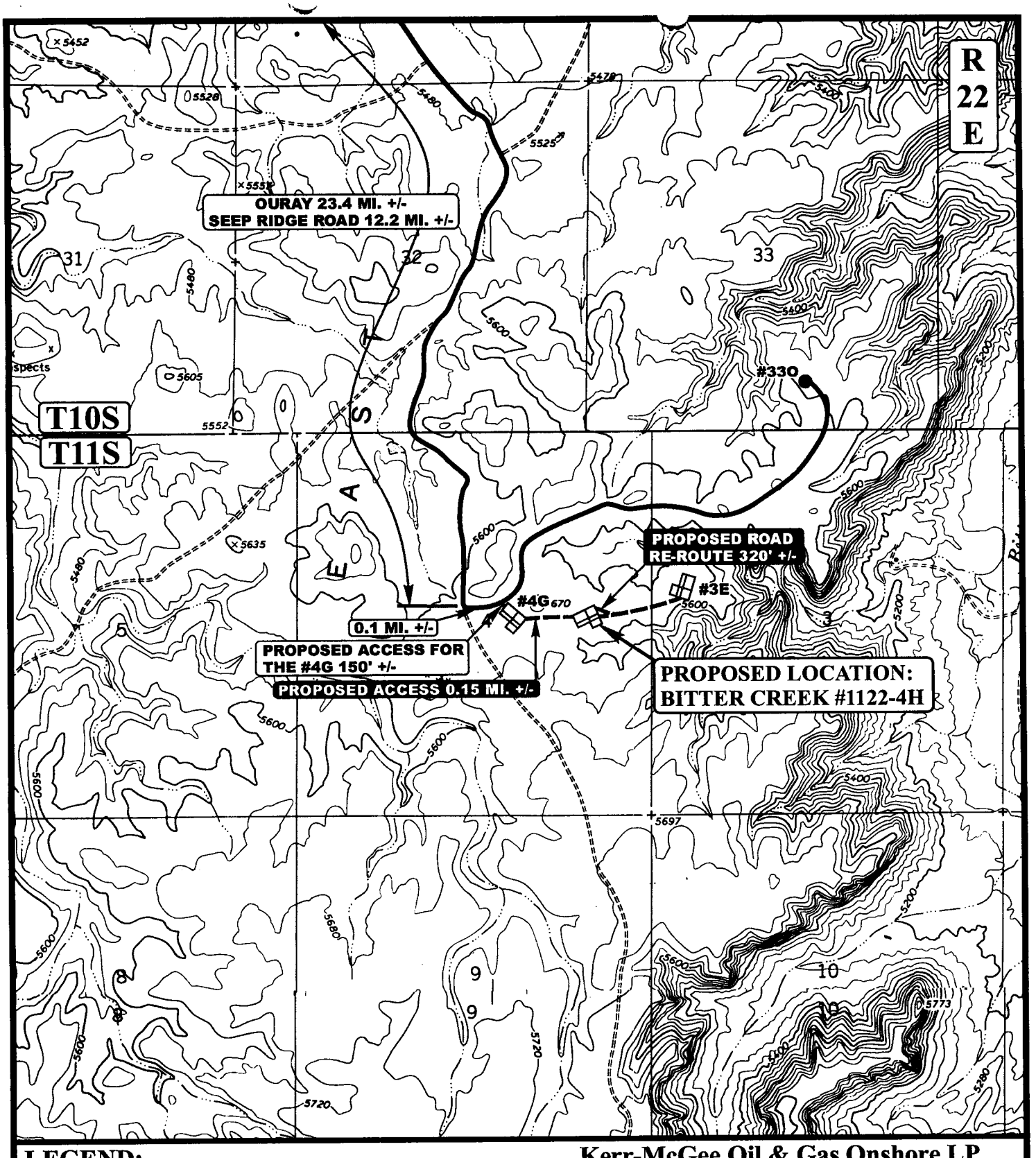
N

Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-4H
SECTION 4, T11S, R22E, S.L.B.&M.
2801' FNL 953' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	06 MONTH	12 DAY	07 YEAR	A TOPO
SCALE: 1:100,000	DRAWN BY: C.P.	REVISED: 06-20-07		



LEGEND:

EXISTING ROAD

PROPOSED ACCESS ROAD

PROPOSED ROAD RE-ROUTE

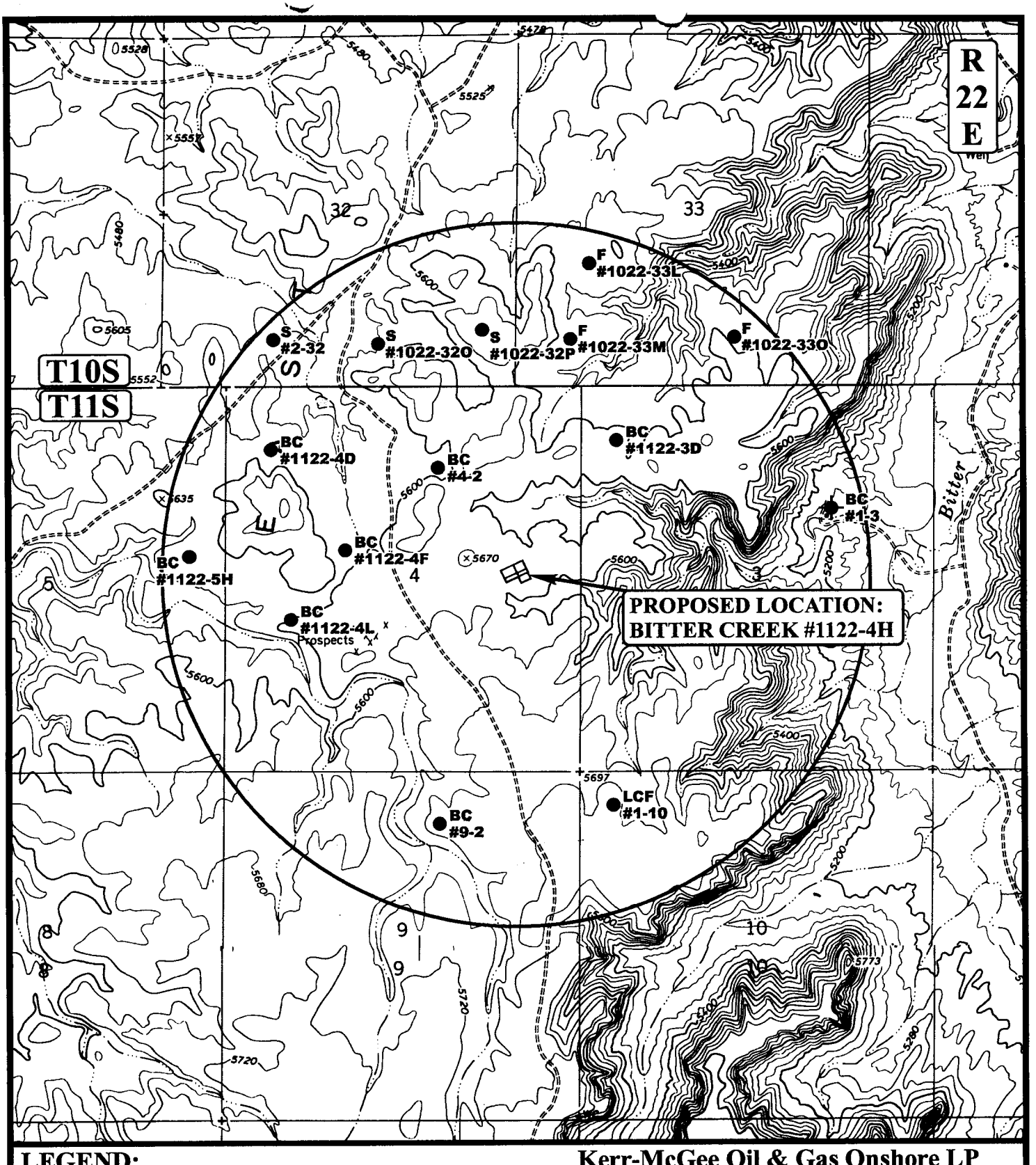
N

Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-4H
SECTION 4, T11S, R22E, S.L.B.&M.
2801' FNL 953' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	06 MONTH	12 DAY	07 YEAR	B TOPO
SCALE: 1" = 2000'	DRAWN BY: C.P.	REVISED: 06-20-07		



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

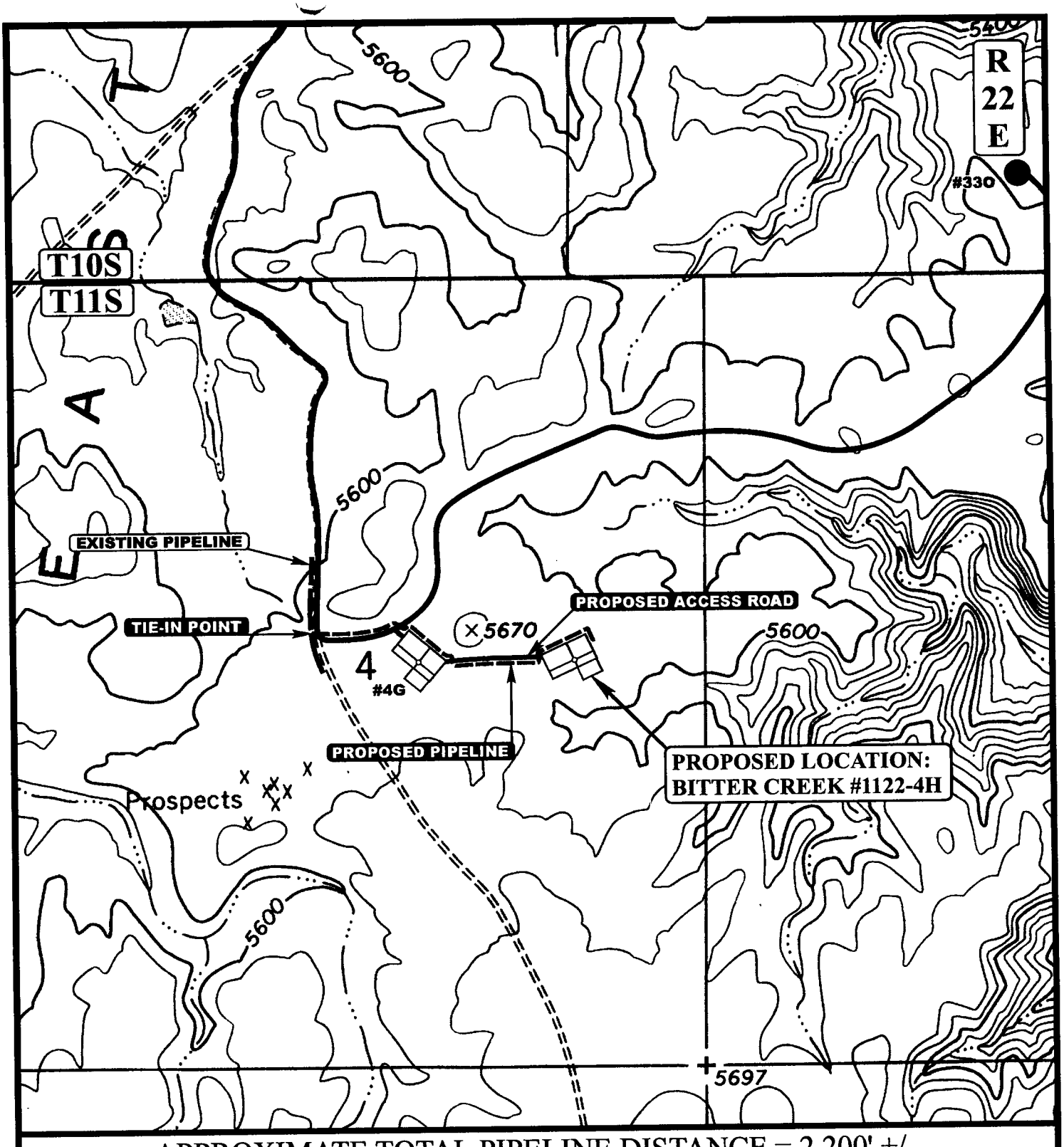
N

Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-4H
SECTION 4, T11S, R22E, S.L.B.&M.
2801' FNL 953' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	06 MONTH	12 DAY	07 YEAR
SCALE: 1" = 2000'	DRAWN BY: C.P.	REVISED: 06-20-07	C TOPO



APPROXIMATE TOTAL PIPELINE DISTANCE = 2,200' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE
- PROPOSED PIPELINE (SERVICING OTHER WELLS)

N

Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-4H
SECTION 4, T11S, R22E, S.L.B.&M.
2801' FNL 953' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	06 MONTH	12 DAY	07 YEAR	D TOPO
SCALE: 1" = 1000'	DRAWN BY: C.P.	REVISED: 10-09-07		

Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-4H

PIPELINE ALIGNMENT

LOCATED IN UINTAH COUNTY, UTAH

SECTION 4, T11S, R22E, S.L.B.&M.

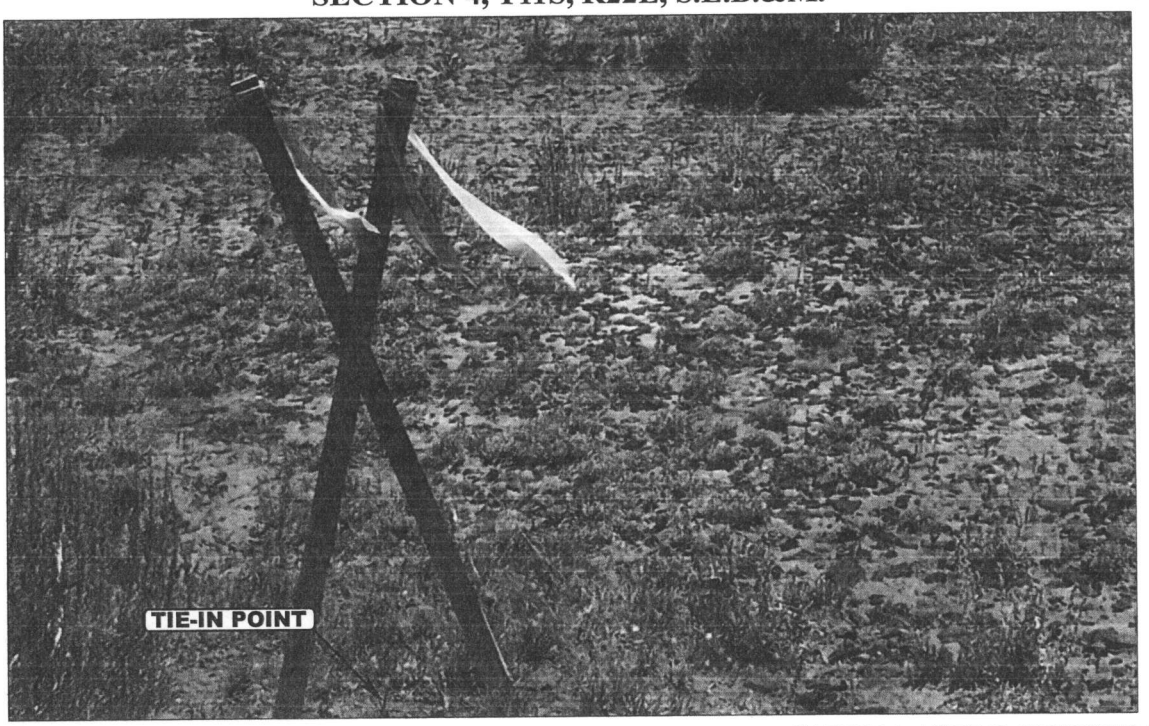


PHOTO: VIEW FROM TIE-IN POINT **CAMERA ANGLE: NORTHEASTERLY**

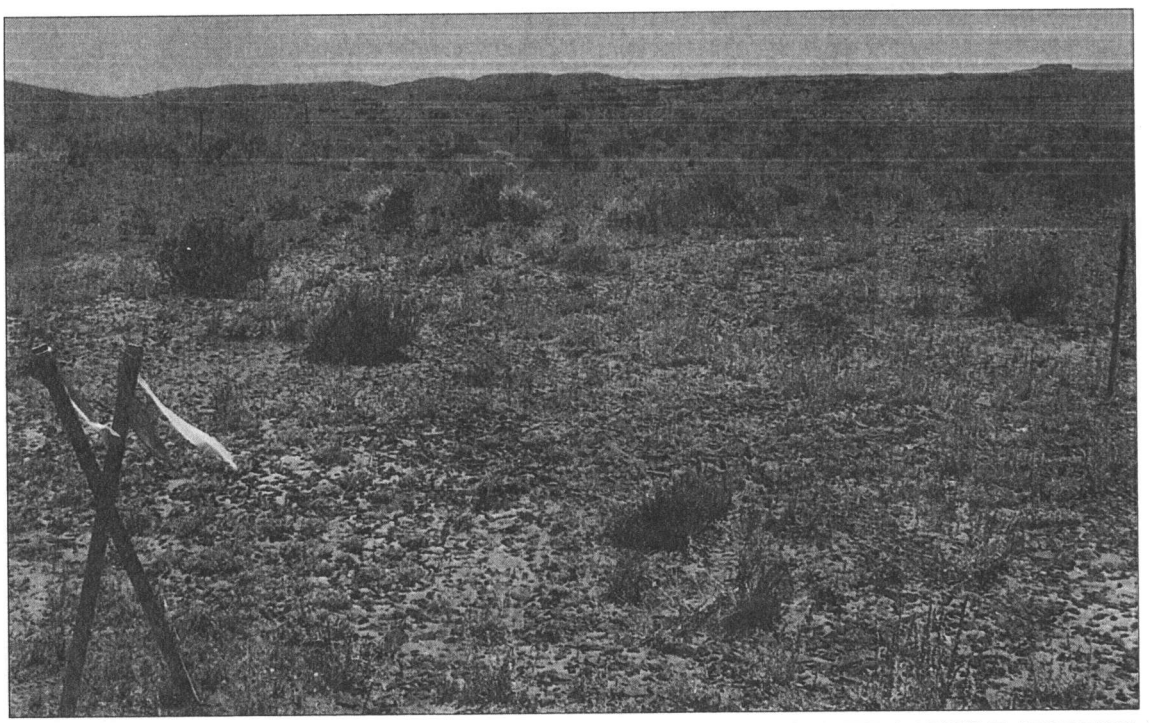


PHOTO: VIEW OF PIPELINE ALIGNMENT **CAMERA ANGLE: NORTHEASTERLY**

- Since 1964 -

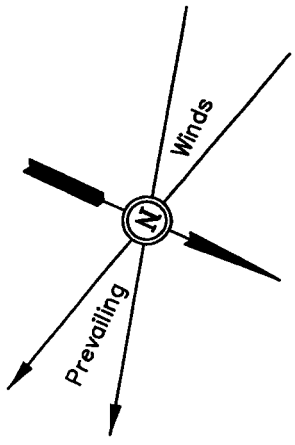
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

PIPELINE PHOTOS	06 MONTH	12 DAY	07 YEAR	PHOTO
TAKEN BY: L.K.	DRAWN BY: C.P.	REVISED: 06-20-07		

Kerr-McGee Oil & Gas Onshore LP

LOCATION LAYOUT FOR

BITTER CREEK #1122-4H
SECTION 4, T11S, R22E, S.L.B.&M.
2801' FNL 953' FEL



SCALE: 1" = 50'
DATE: 06-22-07
Drawn By: C.H.

Proposed Access Road

F-1.9'
El. 16.3'

C-0.8'
El. 19.0'

F-0.8'
El. 17.4'

Sta. 3+50

58'

180'

Round Corners as Needed

Approx. Toe of Fill Slope

NOTE:
Flare Pit is to be located a min. of 100' from the Well Head.

PIPE TUBS

CATWALK

PIPE RACKS

Pit Topsoil

Topsoil Stockpile

FLARE PIT

El. 21.9'
C-13.7'
(btm. pit)

Bloole Line

C-2.2'
El. 20.4'

C-0.7'
El. 18.9'

RIG

135'

Sta. 1+70

70'

10'

58'

RESERVE PITS
(10' Deep)

Total Pit Capacity W/2' of Freeboard = 9,850 Bbls. ±
Total Pit Volume = 2,780 Cu. Yds.

MUD TANKS

DOG HOUSE

TOILET

F-4.1'
El. 14.1'

TRAILER

LIGHT PLANT

BOILER

WATER TANK

PUMP HOUSE

MUD TANKS

Reserve Pit Backfill & Spoils Stockpile

15' WIDE BENCH

150'

SLOPE 1 1/2 : 1

TRASH

C-1.5'
El. 19.7'

170'

Sta. 0+50

PROPANE STORAGE

15' WIDE BENCH

30'

El. 19.8'
C-11.6'
(btm. pit)

C-0.4'
El. 18.6'

Sta. 0+00

F-5.9'
El. 12.3'

F-0.6'
El. 17.6'

Approx. Top of Cut Slope

NOTES:

Elev. Ungraded Ground At Loc. Stake = 5618.9'
FINISHED GRADE ELEV. AT LOC. STAKE = 5618.2'

FIGURE #1

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

Kerr–McGee Oil & Gas Onshore LP

FIGURE #2

TYPICAL CROSS SECTIONS FOR

BITTER CREEK #1122–4H

SECTION 4, T11S, R22E, S.L.B.&M.

2801' FNL 953' FEL

1" = 20'

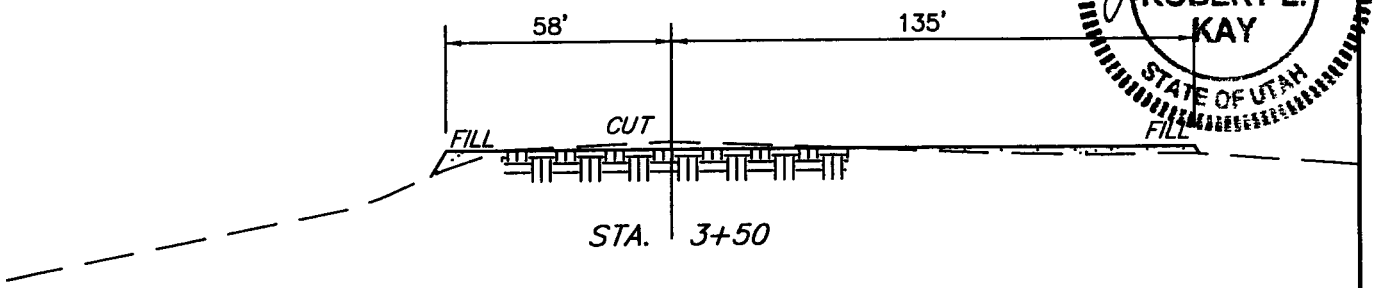
X–Section Scale

1" = 50'

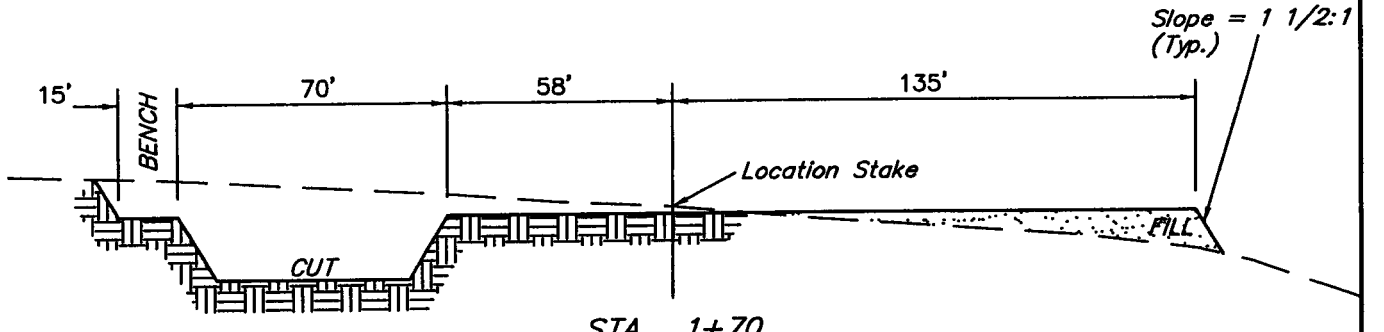
DATE: 06–22–07

Drawn By: C.H.

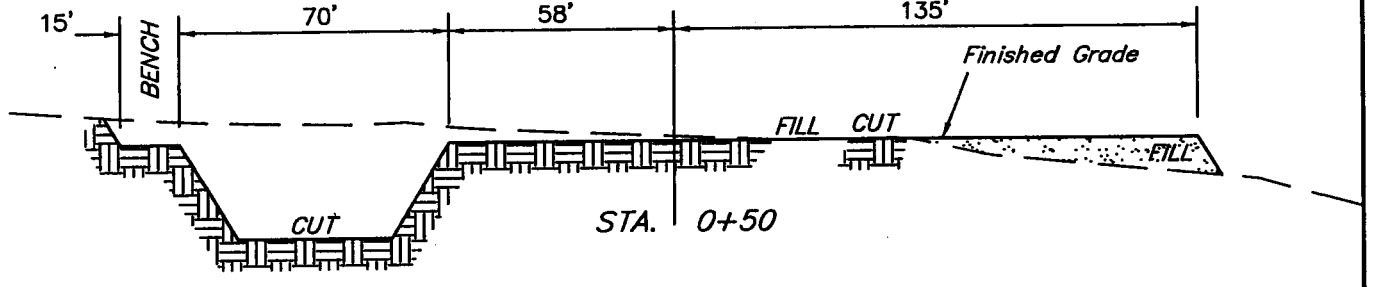
REGISTERED LAND SURVEYOR
No. 161319
ROBERT L. KAY
STATE OF UTAH



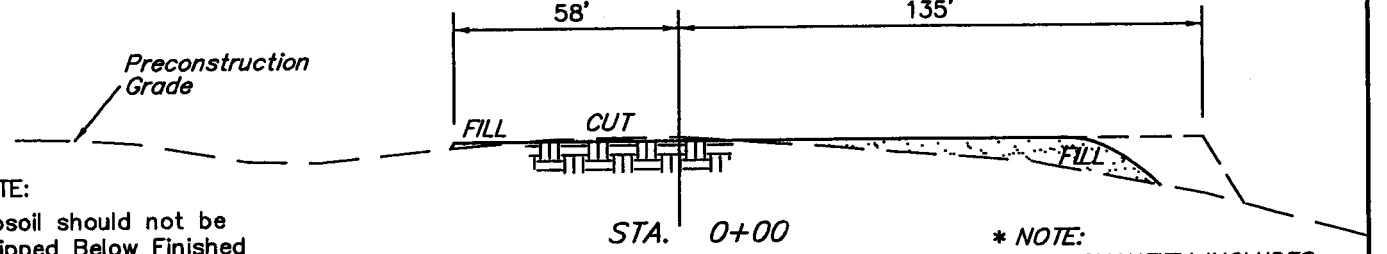
STA. 3+50



STA. 1+70



STA. 0+50



STA. 0+00

NOTE:
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT

(6") Topsoil Stripping = 1,650 Cu. Yds.

Remaining Location = 4,590 Cu. Yds.

TOTAL CUT = 6,240 CU.YDS.

FILL = 3,200 CU.YDS.

EXCESS MATERIAL = 3,040 Cu. Yds.

Topsoil & Pit Backfill (1/2 Pit Vol.) = 3,040 Cu. Yds.

EXCESS UNBALANCE (After Interim Rehabilitation) = 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING

85 So. 200 East * Vernal, Utah 84078 * (435) 789–1017

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/02/2007

API NO. ASSIGNED: 43-047-39759

WELL NAME: BITTER CREEK 1122-4H

OPERATOR: KERR-MCGEE OIL & GAS (N2995)

PHONE NUMBER: 435-781-7024

CONTACT: SHEILA UPCHEGO

PROPOSED LOCATION:

SENE 04 110S 220E

SURFACE: 2801 FNL 0953 FEL

BOTTOM: 2801 FNL 0953 FEL

COUNTY: UINTAH

LATITUDE: 39.89048 LONGITUDE: -109.4533

UTM SURF EASTINGS: 632245 NORTHINGS: 4416536

FIELD NAME: BITTER CREEK (547)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-71417

PROPOSED FORMATION: WSMVD

SURFACE OWNER: 1 - Federal

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. WYB000291)

N Potash (Y/N)

N Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. 43-8496)

NI RDCC Review (Y/N)
(Date:)

NA Fee Surf Agreement (Y/N)

NA Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit: ___

___ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

___ R649-3-3. Exception

✓ Drilling Unit

Board Cause No: 210-04

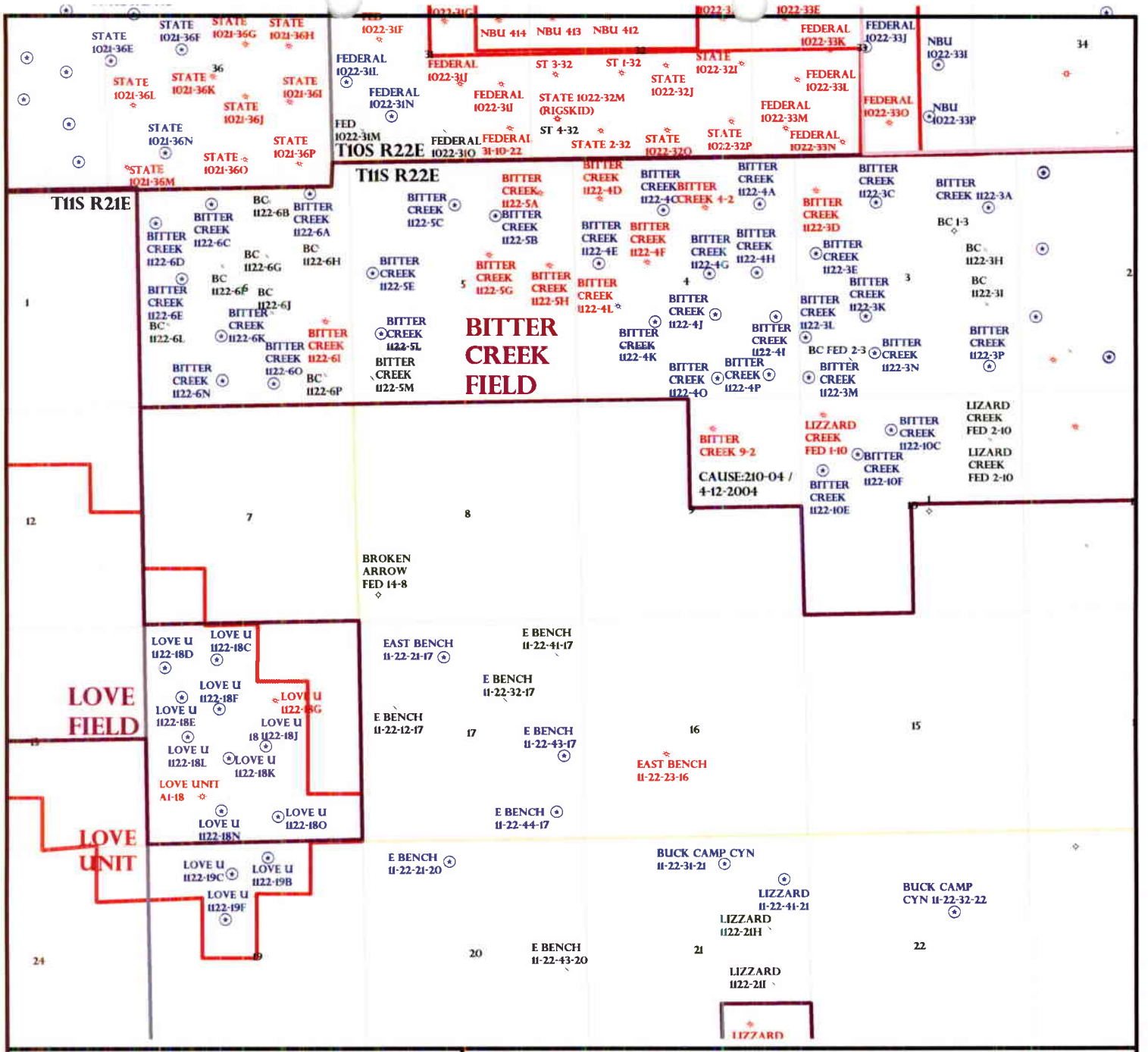
Eff Date: 4-12-04

Siting: 460' fr. ext. dtl. u bdry & 920' fr. other wells.

___ R649-3-11. Directional Drill

COMMENTS: ___

STIPULATIONS: 1 Federal Approval



OPERATOR: KERR MCGEE O&G (N2995)

SEC: 3,4,6,10 T.11S R. 22E

FIELD: BITTER CREEK (547)

COUNTY: UINTAH

CAUSE:210-04 / 4-12-2004

Field Status
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING

UTAH DNR
OIL, GAS & MINING

N
W E
S

PREPARED BY: DIANA MASON
DATE: 07-NOVEMBER-2007

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

November 7, 2007

Kerr McGee Oil & Gas Onshore LP
1368 S 1200 E
Vernal, UT 84078

Re: Bitter Creek 1122-4H Well, 2801' FNL, 953' FEL, SE NE, Sec. 4, T. 11 South, R. 22 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-39759.

Sincerely,

(for) Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal Office

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov

UTAH DNR OIL, GAS & MINING

Operator: Kerr McGee Oil & Gas Onshore LP

Well Name & Number Bitter Creek 1122-4H

API Number: 43-047-39759

Lease: UTU-71417

Location: SE NE **Sec.** 4 **T.** 11 South **R.** 22 East

Conditions of Approval

1. General

   Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

   Notify the division within 24 hours of spudding the well.

   - Contact Carol Daniels at (801) 538-5284.

   Notify the Division prior to commencing operations to plug and abandon the well.

   - Contact Dustin Doucet at (801) 538-5281 (801) 733-0983 home

3. Reporting Requirements

   All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

KerrMcGee

Kerr-McGee Oil & Gas Onshore LP
PO Box 173779
Denver, CO 80217-3779

June 5, 2008

Robert L. Bayless, Producer LLC
C. Jay Muñoz
621 17th Street, Suite 2300
Denver, CO 80293

43-047-39754

Re: Request for Consent to Exception Well Location
BITTER CREEK 1122-4H Well
Township 11 South, Range 22 East
Section 4: SENE
2801' FNL, 953' FEL
Uintah County, Utah

Dear Mrs. Muñoz:

Kerr-McGee Oil & Gas Onshore LP has staked and proposes to drill the Bitter Creek 1122-4H well, an 8,650' Wasatch/Mesaverde formation test, located 2801' FNL, 953' FEL (SENE) of Section 4-T11S-R22E, SLM, Uintah County, Utah. Enclosed is a copy of the survey plat along with a copy of a topo map depicting the proposed location of the subject well.

The State of Utah Board of Oil, Gas and Mining's Order in Bitter Creek 210-04 provides for termination of 320-acre spacing for Sections 1-17-11S-22E (now under Rule 649-3-2) for the development and production of gas and associated hydrocarbons from the Wasatch/Mesaverde formation and prescribes that the location of the permitted well in each drilling unit shall not be less than 460' from the exterior boundary of such drilling unit.

Since the location of the subject well is not in compliance with this well siting order due to an arch site, Kerr-McGee Oil & Gas Onshore LP will request the Bureau of Land Management's administrative approval of such location as an exception location in accordance with General Rule R649-3-3. This rule requires Kerr-McGee Oil & Gas Onshore LP to obtain written consent from all owners of directly or diagonally offsetting drilling units.

If Robert L. Bayless, Producer LLC has no objections to Kerr-McGee Oil & Gas Onshore LP's drilling the subject well at the above-described exception location, Kerr-McGee Oil & Gas Onshore LP respectfully requests you indicate your approval by executing in the space provided below and returning two (2) originally executed copies to my attention.

If you have any questions or require any additional information, please do not hesitate to call the undersigned at 720-929-6698.

Sincerely,

Kerr-McGee Oil & Gas Onshore LP

James C. Colligan III
Landman

Robert L. Bayless, Producer LLC consents to the above described exception location this 26th day of June, 2008.

By: _____

Name: George P. Coryell

Title: Geologist

Form 3160-3
(August 1999)

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
UTU-71417

6. If Indian, Allottee or Tribe Name

1a. Type of Work: [X] DRILL [ ] REENTER

7. If Unit or CA Agreement, Name and No.
UTU-80666

b. Type of Well: [ ] Oil Well [X] Gas Well [ ] Other [ ] Single Zone [X] Multiple Zone

8. Lease Name and Well No.
BITTER CREEK 1122-4H

2. Name of Operator
KERR McGEE OIL & GAS ONSHORE LP

9. API Well No.
43 047 39759

3A. Address
1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. *(include area code)*
(435) 781-7024

10. Field and Pool, or Exploratory
UNDESIGNATED

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface **SE/NE 2801'FNL, 953'FEL**
At proposed prod. Zone

11. Sec., T., R., M., or Blk, and Survey or Area
SEC. 4, T11S, R22E

14. Distance in miles and direction from nearest town or post office*
35.8 +/- MILES SOUTHEAST OF OURAY, UTAH

12. County or Parish
UINTAH

13. State
UTAH

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **953'**

16. No. of Acres in lease
1520.00

17. Spacing Unit dedicated to this well
40.00

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **REFER TO TOPO C**

19. Proposed Depth
8270'

20. BLM/BIA Bond No. on file
BOND NO. WYB000291

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5619'GL

22. Approximate date work will start*

23. Estimated duration

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office.
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized office.

25. Signature: Sheila Upchego
Name *(Printed/Typed)*: SHEILA UPCHEGO
Date: 10/29/2007

Title: **SENIOR LAND ADMIN SPECIALIST**

Approved by *(Signature)*: Jerry Kenczka
Name *(Printed/Typed)*: Jerry Kenczka
Date: 6-24-2008

Title: Assistant Field Manager
Lands & Mineral Resources

Office: **VERNAL FIELD OFFICE**

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached. **CONDITIONS OF APPROVAL ATTACHED**

Title 18 U.S.C. Section 1001and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**(Instructions on reverse)*

NOTICE OF APPROVAL

UDOGM

NOS: 07/10/2007
OFAP2378A

RECEIVED
JUN 26 2008
DIV. OF OIL, GAS & MINING

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE
170 South 500 East VERNAL, UT 84078 (435) 781-4400

CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	**Kerr-McGee Oil & Gas Onshore, LP**	**Location:**	**SENE, Sec. 4, T11S, R22E**
Well No:	**Bitter Creek 1122-4H**	**Lease No:**	**UTU-71417**
API No:	**43-047-39759**	**Agreement:**	**CA UTU-80666**

Title	**Name**	**Office Phone Number**	**Cell Phone Number**
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	James Ashley	(435) 781-4470	(435) 828-7874
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
Supervisory NRS:	Karl Wright	(435) 781-4484	(435) 828-7381
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	(435) 828-3544
NRS/Enviro Scientist:	James Hereford	(435) 781-3412	
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Dan Emmett	(435) 781-3414	
NRS/Enviro Scientist:	Paul Percival	(435) 781-4493	
NRS/Enviro Scientist:	Michael Cutler	(435) 781-3401	(435) 828-3546
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Darren Williams	(435) 781-4447	(435) 828-4029
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545
		Fax: (435) 781-3420	

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)

Surface COAs:

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

Site Specific COAs:

- Adhere to Executive Order 5327 of April 15, 1930, stipulations for lands in oil shale withdrawal.
- All applicable local, state, and/or federal laws, regulations, and/or statutes will be complied with.
- All traffic related to this action will be restricted to approved routes. Cross-country vehicle travel will not be allowed.
- No vehicle travel, construction or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support vehicles and/or construction equipment. If such equipment creates ruts in excess of four inches deep, the soil shall be deemed too wet to adequately support construction equipment.
- The access roads will be crowned and ditched. Flat-bladed roads are not allowed.
- If additional erosion occurs during the life of this project, more culverts, low water crossings, berms, wing ditches or etc. will be needed to control the erosion.
- All secondary drainages shall be rerouted around the location, as needed.
- Low-water crossings will be appropriately constructed to avoid sedimentation of drainage ways and other water resources.
- Pipelines will be buried at all major drainage crossings.
- Prevent fill and stock piles from entering drainages.
- The reserve pit will be lined with a 16 ml or greater liner and doubled felted prior to spudding.
- The liner is to be cut 5 feet below ground surface or at the level of the cuttings, whichever is deeper, and the excess liner material is to be disposed of at an authorized disposal site.

- When the reserve pit contains fluids or toxic substances, the operator must ensure animals do not ingest or become entrapped in pit fluids.

- If Uinta Basin hookless cactus or other special status plants are found, construction will cease and the AO will be notified to determine the appropriate mitigation.

- The interim seed mix for this location shall be:

Galleta grass	Hilaria jamesii	10 lbs. acre
Indian rice grass	Oryzopsis hymenoides	10 lbs. acre
Needle & Thread grass	Stipa comata	10 lbs. acre

  All pounds are in pure live seed.

  - Rates are set for drill seeding; double the rate if broadcasting.
  - Reseeding may be required if initial seeding is not successful.

- The operator will be responsible for treatment and control of invasive and noxious weeds following the operator submitted PUP plan provided the BLM before this project construction begins.

- The topsoil from the reserve pit shall be stripped and piled separately near the reserve pit and posted/marked topsoil. When the reserve pit is closed, it shall be contoured and the topsoil spread, and the area shall be seeded in the same manner as the location topsoil to comply with natural topography.

- Once the location is plugged and abandoned, it shall be contoured to natural topography, topsoil shall be spread, and the entire location shall be seeded with a seed mix recommended by the AO (preferably of native origin). Seed application will follow all guidelines in the interim seed mix bullet statement above. Seeding guidelines will be provided by the BLM to the operator with prescribed seeding recommendations.

- The authorized officer may prohibit surface disturbing activities during severe winter conditions to minimize watershed damage. This limitation does not apply to operation and maintenance of producing wells.

- The authorized officer may prohibit surface disturbing activities during wet or muddy conditions to minimize watershed damage. This limitation does not apply to operation and maintenance of producing wells.

- All well facilities not regulated by OSHA will be painted Carlsbad Canyon.

- All boulders with a length or diameter greater than 3 feet, that are found showing at the surface, will be stockpiled for use during final reclamation.

- The habitat will be protected (no or little development) within 2 miles (3.2 km) of active leks.

a. All human disturbances will be minimized within sight or 0.3 mile (0.5 km) of active leks during breeding season during early morning or evening when birds are likely to be found on the leks; and
    a. Avoid constructing above ground powerlines, or other tall structures within two (2) miles of seasonal habitat.

- Well pads will be located out of the line of sight/hearing at the leks by considering topographical or vegetative screening features as well as centralized tank batteries, use of low profile tanks, and pointing exhaust from heater-treater to the north and northeast at proposed locations.
    a. Proper placement of well locations can reduce the impact out of hearing >10 dBA above natural ambient noise.

- Construction, drilling, completion and workover activities will not be allowed within two miles of active leks from March 1 through June 15.
- Other structures such as fences, poles, utilities, will not be constructed within the two mile buffer of active leks, unless the proposed project is reviewed by BLM and UDWR and a waiver issued for this measure on an approved design.
- Operational activities (trucks driving to well locations, well, road, pipeline surveys, pipeline maintenance etc.) will be minimized March 1 through June 15 one hour prior to sunrise to three hours after sunrise.
- No construction, drilling, completion activities will be allowed from May 15-June 20 to help protect pronghorn kidding in the area.
- Golden eagle nesting a timing restriction from February 1through July 30 will be applied to the following well locations:

Bitter Creek Well 1121 6K Location NESW Section 6, T 11 S R22 E.
Bitter Creek Well 1121 6E Location SWNW Section 6, T 11 S R22 E.
Bitter Creek Well 1121 6D Location NWNW Section 6, T 11 S R22 E.

- Notify the Authorized Officer 48 hours prior to surface disturbing activities.

DOWNHOLE CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

- **Communitization Agreement UTU-80666, (S2NE, SE, Lots 1,2,7,8, Section 4, T11S, R22E) was approved to include only production from the WSTC-MSVD formation. Prior to well completion, approval by this office shall be required before production is established from any other formation(s).**

- A surface casing shoe integrity test shall be performed.

- Production casing cement top shall be at a minimum of 200' above the surface casing shoe.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.

- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.

- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.

- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.

- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.

- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.

- No aggressive/fresh hard-banded drill pipe shall be used within casing.

- **Cement baskets shall not be run on surface casing.**

- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.

- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.

- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**

- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.

- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.

- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:

    - Operator name, address, and telephone number.

    - Well name and number.

    - Well location (¼¼, Sec., Twn, Rng, and P.M.).

    - Date well was placed in a producing status (date of first production for which royalty will be paid).

    - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).

    - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.

    - Unit agreement and/or participating area name and number, if applicable.

    - Communitization agreement number, if applicable.

- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.

- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.

- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.

- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.

- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.

- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.

- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: **KERR McGEE OIL & GAS ONSHORE, L.P.**

Well Name: **BITTER CREEK 1122-4H**

Api No: **43-047-39759** Lease Type: **FEDERAL**

Section **04** Township **11S** Range **22E** County **UINTAH**

Drilling Contractor **PETE MARTIN DRLG** RIG # **RATHOLE**

SPUDDED:

Date **10/10/08**

Time **8:00 AM**

How **DRY**

Drilling will Commence:

Reported by **LEW WELDON**

Telephone # **(435) 828-7035**

Date **10/13//08** **Signed** **CHD**

Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – Other instructions on reverse side

5. Lease Serial No.
UTU-71417

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
UTU-80666

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
BITTER CREEK 1122-4H

2. Name of Operator
KERR-McGEE OIL & GAS ONSHORE LP

9. API Well No.
4304739759

3a. Address
1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. *(include area code)*
(435) 781-7024

10. Field and Pool, or Exploratory Area
UNDESIGNATED

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
2801' FNL, 953' FEL
SENE, SEC.4, T11S-R22E

11. County or Parish, State
UINTAH COUNTY, UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other SET SURFACE CSG
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

MIRU PROPETRO AIR RIG ON 10/11/08 DRILLED 12 1/4" SURFACE HOLE TO 930'. RAN 9 5/8" 36# J-55 SURFACE CSG. CMT W/150 SX PREM CLASS G @15.8 PPG 1.15 YIELD. NO RETURNS TO PIT +/- 220 PSI LIFT TOP OUT W/ 125 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE. 2ND TOP OUT W/110 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE GOOD CMT TO SURFACE HOLE STAYED FULL.

WORT.

14. I hereby certify that the foregoing is true and correct

Name *(Printed/Typed)*
SHEILA UPCHEGO

Title
REGULATORY ANALYST

Signature
Sheila Upchego we

Date
October 16, 2008

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

RECEIVED
OCT 20 2008
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: KERR McGEE OIL & GAS ONSHORE LP
Operator Account Number: N 2995
Address: 1368 SOUTH 1200 EAST
city VERNAL
state UT zip 84078
Phone Number: (435) 781-7024

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304739759	BITTER CREEK 1122-4H		SENE	4	11S	22E	UINTAH
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
A	99999	17155	10/10/2008			10/28/08	

Comments: MIRU PETE MARTIN BUCKET RIG. SPUD WELL LOCATION ON 10/10/2008 AT 0800 HRS. WSMVD

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	

Comments:

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	

Comments:

ACTION CODES:

- **A** - Establish new entity for new well (single well only)
- **B** - Add new well to existing entity (group or unit well)
- **C** - Re-assign well from one existing entity to another existing entity
- **D** - Re-assign well from one existing entity to a new entity
- **E** - Other (Explain in 'comments' section)

SHEILA UPCHEGO
Name (Please Print)
Sheila Upchego
Signature
REGULATORY ANALYST
Title
10/21/2008
Date

RECEIVED
OCT 23 2008
DIV. OF OIL, GAS & MINING

(5/2000)

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – *Other instructions on page 2.*

5. Lease Serial No.
UTU-71417

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.
UTU-80666

1. Type of Well
☐ Oil Well ☑ Gas Well ☐ Other

8. Well Name and No.
BITTER CREEK 1122-4H

2. Name of Operator
KERR McGEE OIL & GAS ONSHORE LP

9. API Well No.
4304739759

3a. Address
1368 SOUTH 1200 EAST VERNAL, UTAH 84078

3b. Phone No. *(include area code)*
435.781.7024

10. Field and Pool or Exploratory Area
UNDESIGNATED

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
SE/NE SEC. 4, T11S, R22E 2801'FNL, 953'FEL

11. Country or Parish, State
UINTAH COUNTY, UTAH

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☑ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other FINAL DRILLING OPERATIONS
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

FINISHED DRILLING FROM 1840' TO 8357' ON 11/27/2008. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/290 SX PREM LITE II @11.1 PPG 3.25 YIELD. TAILED CMT W/1151 SX 50/50 POZ @14.3 PPG 1.31 YIELD. DISPLACE W/129 BBLS CLAY TREAT BUMPED PLUG FLOATS HELD. 15 BBLS LEAD CMT BACK TO PIT. NIPPLE DOWN BOP. CLEAN PITS.

RELEASED PIONEER RIG 69 ON 11/29/2008 AT 0200 HRS.

RECEIVED
DEC 08 2008
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct.
Name *(Printed/Typed)*
SHEILA UPCHEGO

Title REGULATORY ANALYST

Signature

Date 12/01/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
UTU71417

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
BITTER CREEK 1122-4H

2. Name of Operator
KERR-MCGEE OIL & GAS ONSHORE LP
Contact: SHEILA UPCHEGO
EMail: sheila.upchego@anadarko.com

9. API Well No.
43-047-39759

3a. Address
1368 SOUTH 1200 EAST
VERNAL, UT 84078

3b. Phone No. (include area code)
Ph: 435-781-7024

10. Field and Pool, or Exploratory
UNDESIGNATED

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 4 T11S R22E SENE 2801FNL 953FEL

11. County or Parish, and State
UINTAH COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Production Start-up
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

THE SUBJECT WELL WAS PLACED ON PRODUCTION ON 12/20/2008 AT 9:00 AM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #65837 verified by the BLM Well Information System
For KERR-MCGEE OIL & GAS ONSHORE L, sent to the Vernal

Name *(Printed/Typed)* SHEILA UPCHEGO — Title OPERATIONS

Signature (Electronic Submission) — Date 12/23/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By — Title — Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RECEIVED
DEC 31 2008
DIV. OF OIL, GAS & MINING

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Wins No.: 95723

BITTER CREEK 1122-4H

Well Operations Summary Long

Operator	FIELD NAME	SPUD DATE	GL	KB	ROUTE
KERR MCGEE OIL & GAS ONSHORE LP	NATURAL BUTTES	10/11/2008	5,618	5636	V44

API	STATE	COUNTY	DIVISION
4304739759	UTAH	UINTAH	ROCKIES

Long/Lat.: 39.89051 / -109.45398 Q-Q/Sect/Town/Range: SENE / 4 / 11S / 22E Footages: 2,800.99' FNL 953.00' FEL

Wellbore: BITTER CREEK 1122-4H

MTD	TVD	PBMD	PBTVD
8,357	8,354	8,100	

EVENT INFORMATION: EVENT ACTIVITY: DRILLING
OBJECTIVE: DEVELOPMENT
OBJECTIVE 2: VERTICAL WELL
REASON: SURFACE FAC
START DATE: 9/16/2008
END DATE: 11/28/2008
DATE WELL STARTED PROD.:
Event End Status: COMPLETE
AFE NO.: 2007651

RIG OPERATIONS:	Begin Mobilization	Rig On Location	Rig Charges	Rig Operation Start	Finish Drilling	Rig Release	Rig Off Location
PIONEER 69 / 69	11/19/2008	11/19/2008	11/18/2008	11/21/2008	11/27/2008	11/29/2008	11/30/2008

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
							MD: 948
10/11/2008	SUPERVISOR: LEW WELDON						
	12:00 - 0:00	12.00	DRLSUR	02		P	MOVE IN AND RIG UP AIR RIG SPUD WELL @ 1200 HR 10/11/08 DA AT REPORT TIME 930'
							MD: 1,858
10/12/2008	SUPERVISOR: LEW WELDON						
	0:00 - 12:00	12.00	DRLSUR	02		P	RIG DRILLING AHEAD NO WATER 1230'
	12:00 - 0:00	12.00	DRLSUR	02		P	RIG T/D @ 1840' CONDITION HOLE @ REPORT TIME
							MD: 1,858
10/13/2008	SUPERVISOR: LEW WELDON						
	0:00 - 4:00	4.00	DRLSUR	05		P	TRIP DP OUT OF HOLE
	4:00 - 8:00	4.00	DRLSUR	11		P	RUN 1808' OF 9 5/8 CSG AND 200' OF 1" PIPE RIG DOWN AIR RIG
	8:00 - 9:00	1.00	DRLSUR	15		P	CEMENT 1ST STAGE WITH 150 SKS LEAD @ 11# 3.82 23 GAL/SK AND 200 SKS TAIL @ 15.8# 1.15 5.0 GAL/SK GOOD RETURNS THRU OUT JOB + - 25 BBL LEAD CMT TO PIT
	9:00 - 9:30	0.50	DRLSUR	15		P	1ST TOP JOB 125 SKS DOWN 1" PIPE GOOD CMT TO SURFACE AND FELL BACK WOC
	9:30 - 10:30	1.00	DRLSUR	15		P	2ND TOP JOB 110 SKS DOWN BS GOOD CMT TO SURFACE AND STAYED AT SURFACE
	10:30 - 10:30	0.00	DRLSUR				
							MD: 1,858
11/18/2008	SUPERVISOR: BRAD PEDERSEN						
	19:00 - 0:00	5.00	MIRU	01	E	P	PREPARE RIG F/ MOVE TO BITTER CREEK 1122-4H ,THIS AM W/ L&S TRUCKING & J&C CRANE
							MD: 1,858
11/19/2008	SUPERVISOR: BRAD PEDERSEN						
	0:00 - 7:00	7.00	MIRU	01	E	P	RDRT
	7:00 - 0:00	17.00	MIRU	01	B	P	MOVE RIG TO BITTER CREEK 1122-4H RURT,L&S ON LOC @ 07:00 4 BED TRUCKS 5 HAUL TRUCKS 2 FORKLIFTS RELEASED @ 16:30,J&C CRANE ON LOC @ 07:00 RELEASED @ 18:00 , 90 % RIGGED UP
							MD: 1,858
11/20/2008	SUPERVISOR: BRAD PEDERSEN						

	0:00 - 4:00	4.00	MIRU	01	B	P	RURT
	4:00 - 10:30	6.50	MIRU	13	A	P	NIPPLE UP BOP
	10:30 - 19:00	8.50	MIRU	07	A	P	RIG REPAIR, REPLACE WITCHATA BRAKE,REPLACE BRAKE LINKAGE ,WORK ON CAT HEAD ,CHANGE SUPER CHOKE
	19:00 - 0:00	5.00	DRLPRO	13	C	P	SAFETY MEETING W/ B&C QUIK TEST ,TEST BOP TO 5000 PSI ,ANNULAR TO 2500 PSI ,CASING TO 1500 PSI

MD: 2,920

11/21/2008 SUPERVISOR: BRAD PEDERSEN

	0:00 - 3:30	3.50	DRLPRO	05	A	P	SAFETY MEETING W/ TESCO R/U & P/U BHA
	3:30 - 4:00	0.50	DRLPRO	07	A	Z	REPAIR CAT HEAD
	4:00 - 6:00	2.00	DRLPRO	05	A	P	FINISH P/U DRILL STRING R/D TESCO
	6:00 - 8:00	2.00	DRLPRO	06	D	P	CUT & SLIP 100' DRLG LINE
	8:00 - 8:30	0.50	DRLPRO	17		P	PRESPUD INSPECTION
	8:30 - 10:30	2.00	DRLPRO	02	F	P	INSTALL DRLG RUBBER & DRIVE BUSHINGS ,DRILL CMT & F.E
	10:30 - 11:00	0.50	DRLPRO	07	B	Z	CHANGE FUEL FILTERS IN #2 PUMP
	11:00 - 12:00	1.00	DRLPRO	02	F	P	FINISH DRLG CMT & F.E
	12:00 - 13:00	1.00	DRLPRO	02	B	P	SPUD 11/21/2008 12:00 ,DRLG F/ 1858' TO 1961' (103' HR) WATER
	13:00 - 13:30	0.50	DRLPRO	09	A	P	SURVEY @ 1886' 1.92 DEG.
	13:30 - 16:30	3.00	DRLPRO	02	B	P	DRLG F/ 1961' TO 2246' (285' 95' HR) WATER
	16:30 - 17:00	0.50	DRLPRO	06	A	P	RIG SERVICE
	17:00 - 18:30	1.50	DRLPRO	02	B	P	DRLG F/ 2264' TO 2467' (203'135.3' HR) WT 9/38
	18:30 - 19:00	0.50	DRLPRO	09	A	P	SURVEY @ 2392' 1.42 DEG.
	19:00 - 0:00	5.00	DRLPRO	02	B	P	DRLG F/ 2457' TO 2920 (463' 92.6' HR) WT 9.0/40

MD: 4,963

11/22/2008 SUPERVISOR: BRAD PEDERSEN

	0:00 - 1:00	1.00	DRLPRO	02	B	P	DRLG F/ 2920' TO 2974' (54' HR) WT 9/38
	1:00 - 1:30	0.50	DRLPRO	09	A	P	SURVEY @ 2899' 1.88 DEG.
	1:30 - 11:00	9.50	DRLPRO	02	B	P	DRLG F/ 2974' TO 3932' (958' 100.8' HR) WT 9.5/42
	11:00 - 11:30	0.50	DRLPRO	09	A	P	SURVEY @ 3857 2.13 DEG.
	11:30 - 16:00	4.50	DRLPRO	02	B	P	DRLG F/ 3932' TO 4398' (466' 103.5 HR) WT 9.8/42
	16:00 - 16:30	0.50	DRLPRO	06	A	P	RIG SERVICE
	16:30 - 0:00	7.50	DRLPRO	02	B	P	DRLG F/ 4398' TO 4963' (565' 75.3' HR) WT 9.8/45

MD: 5,969

11/23/2008 SUPERVISOR: BRAD PEDERSEN

	0:00 - 0:30	0.50	DRLPRO	09	A	P	SURVEY @ 4861 .95 DEG.

	0:00 - 0:30	0.50	DRLPRO	09	A	P	SURVEY @ 4861 .95 DEG.
	0:30 - 16:00	15.50	DRLPRO	02	B	P	DRLG F/ 4963' TO 5759' (796'51.3' HR) WT 10.2/43
	16:00 - 16:30	0.50	DRLPRO	06	A	P	RIG SERVICE
	16:30 - 0:00	7.50	DRLPRO	02	B	P	DRLG F/ 5759' TO 5969' (210' 28' HR) WT 10.2/48

MD: 6,284

11/24/2008 SUPERVISOR: BRAD PEDERSEN

0:00 - 6:30	6.50	DRLPRO	02	B	P	DRLG F/ 5969' TO 6107' (138' 21.2' HR) WT 10.3/44
6:30 - 7:00	0.50	DRLPRO	04	C	P	MIX & PUMP PILL
7:00 - 13:00	6.00	DRLPRO	05	A	P	TOOH W/ BIT #1 TIGHT 4590' TO 4525',3810',3046' & 2846' TO 2352' 10-75K ,L/D BIT,MOTOR,STABILIZER
13:00 - 14:30	1.50	DRLPRO	05	A	P	P/U BIT #2 & NEW MOTOR TIH TAG @ 2423'
14:30 - 16:30	2.00	DRLPRO	03	A	P	WASH & REAM F/ 2423' TO 2749'
16:30 - 17:00	0.50	DRLPRO	05	F	P	L/D 8 JTS DP TO 2455' TIH 5 STANDS TAG @ 2770'
17:00 - 19:00	2.00	DRLPRO	03	A	P	WASH & REAM F/ 2770' TO 3003' WT/10.9/43
19:00 - 20:30	1.50	DRLPRO	05	A	P	FINISH TIH
20:30 - 21:00	0.50	DRLPRO	03	D	P	WASH 90' TO BTM 8' FILL
21:00 - 0:00	3.00	DRLPRO	02	B	P	DRLG F/ 6107' TO 6284' (177' 59' HR) WT 10.7/52

MD: 7,608

11/25/2008 SUPERVISOR: BRAD PEDERSEN

0:00 - 1:30	1.50	DRLPRO	02	B	P	DRLG F/ 6284' TO 6386' (102' 68' HR) WT 10.7/52
1:30 - 2:00	0.50	DRLPRO	07	A	P	REPAIR MAKEUP CATHEAD
2:00 - 15:30	13.50	DRLPRO	02	B	P	DRLG F/ 6386' TO 7208' (822' 60.8' HR) WT 10.8/45
15:30 - 16:00	0.50	DRLPRO	06	A	P	RIG SERVICE
16:00 - 19:00	3.00	DRLPRO	02	B	P	DRLG F/ 7208' TO 7397' (189' 63' HR) WT 10.8/44
19:00 - 20:00	1.00	DRLPRO	06	A	P	ADJUST BRAKES
20:00 - 0:00	4.00	DRLPRO	02	B	P	DRLG F/ 7397' TO 7608' (211' 52.7' HR) WT 11.1/47

MD: 8,289

11/26/2008 SUPERVISOR: BRAD PEDERSEN

0:00 - 14:30	14.50	DRLPRO	02	B	P	DRLG F/ 7608' TO 8094' (486' 33.5' HR) WT 11.3/43
14:30 - 15:00	0.50	DRLPRO	06	A	P	RIG SERVICE
15:00 - 0:00	9.00	DRLPRO	02	B	P	DRLG F/ 8094' TO 8289' (195' 21.6' HR) WT11.4/41

MD: 8,357

11/27/2008 SUPERVISOR: BRAD PEDERSEN

0:00 - 4:30	4.50	DRLPRO	02	B	P	DRLG F/ 8289' TO 8357' (68' 15.1' HR) WT 11.5/45 ,TD 8357' @ 04:30 11/27/2008
4:30 - 6:00	1.50	DRLPRO	04	C	P	CIRC F/ SHORT TRIP

Wins No.: 95723			BITTER CREEK 1122-4H				API No.: 4304739759
	6:00 - 14:00	8.00	DRLPRO	05	E	P	SHORT TRIP TO CASING SHOE,TIGHT F/ 6463' TO 6088',2751'-2695' 10-50K,NO PROBLEMS ON TIH
	14:00 - 15:30	1.50	DRLPRO	03	D	P	WASH 60' TO BTM 8' FILL
	15:30 - 17:00	1.50	DRLPRO	04	C	P	CIRC F/ LDDP,SAFETY MEETING W/ TESCO & R/U L/D MACHINE
	17:00 - 0:00	7.00	DRLPRO	05	A	P	LDDP
							MD: 8,357
11/28/2008	SUPERVISOR: BRAD PEDERSEN						
	0:00 - 3:30	3.50	DRLPRO	05	A	P	BREAK KELLY,L/D BHA
	3:30 - 9:30	6.00	DRLPRO	10	C	P	SAFETY MEETING W/ BAKER ATLAS R/U & RUN TRIPLE COMBO TO 8351' ,NO PROBLEMS, R/D LOGGERS
	9:30 - 16:00	6.50	DRLPRO	11	B	P	SAFETY MEETING W/ TESCO R/U & RUN 197 JTS 4.5 II.6 I-80 TO 8349'
	16:00 - 16:30	0.50	DRLPRO	04	E	P	R/U BJ CEMENTING HEAD
	16:30 - 18:30	2.00	DRLPRO	04	E	P	CIRC F/ CEMENT,R/D TESCO ,SAFETY MEETING W/ BJ SERVICES
	18:30 - 21:30	3.00	DRLPRO	15	A	P	PUMP CEMENT 20 BBLS MUD CLEAN,20SX SCAVENGER,290 SX LEAD,1151 SX TAIL,DISPLACE W/ 129 BBLS CLAY TREAT,BUMPED PLUG,FLOAT HELD, 15 BBLS LEAD CMT BACK TO PIT,R/D BJ
	21:30 - 0:00	2.50	DRLPRO	13	A	P	NIPPLE DOWN BOP
							MD: 8,357
11/29/2008	SUPERVISOR: BRAD PEDERSEN						
	0:00 - 2:00	2.00	DRLPRO	13	A	P	NIPPLE DOWN ,CLEAN PITS ,RELEASE RIG @ 02:00 11/29/2008 TO BITTER CREEK 1122-6E

Wins No.: 95723	BITTER CREEK 1122-4H	API No.: 4304739759

EVENT INFORMATION:			AFE NO.: 2007651
	EVENT ACTIVITY: COMPLETION	START DATE: 12/11/2008	
	OBJECTIVE: DEVELOPMENT	END DATE: 12/17/2008	
	OBJECTIVE 2: ORIGINAL	DATE WELL STARTED PROD.:	
	REASON: MV/WAS	Event End Status: COMPLETE	

RIG OPERATIONS:	Begin Mobilization	Rig On Location	Rig Charges	Rig Operation Start	Finish Drilling	Rig Release	Rig Off Location
		12/11/2008					12/17/2008

GWS 1 / 1

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
							MD:
12/11/2008	SUPERVISOR: DAVID DANIELS						
	7:00 - 7:30	0.50	COMP	48		P	HSM
	7:30 - 17:00	9.50	COMP	31	I	P	ROAD RIG F/ NBU 1022-17L T/ LOC. MIRU RIG & SPOT EQUIP. OPEN WELL, 0 PSI. ND WH, NUBOP. RU TBG EQUIP. PREP & TALLY 273 JTS 2 3/8, J-55 TBG. PU 3 7/8 MILL & BIT SUB. RIH W/ 168 JTS 2 3/8 TBG T/ 5250'. X-OVER. POOH SB 168 JTS TBG. SWI,SDFN.
							MD:
12/12/2008	SUPERVISOR: DAVID DANIELS						
	7:00 - 7:30	0.50	COMP	48		P	HSM.
	7:30 - 15:00	7.50	COMP	33	C	P	OPEN WELL 0#. ND BOP, NU FRAC VALVES. RIG PUMP T/ CSG. FILL CSG W. 20 BBLS 2% KCL. MIRU B & C QUICK TEST. PSI TEST CSG & BOTH FRAC VALVES T/ 7500#. GOOD TEST. BLEED OFF PSI. RDMO B & C QUICK TEST. PREP T/ FRAC MONDAY MORNING. WINTERIZE WELL. SWI. SDFWE.
							MD:
12/15/2008	SUPERVISOR: DOUG CHIVERS						
	7:00 - 7:30	0.50	COMP	48		P	HSM. FRACING & PERFORATING
	7:30 - 11:30	4.00	COMP	36	B	P	MIRU FRAC TECH & CUTTERS. PRIME UP PUMPS & LINES PRESSURE TEST SURFACE EQUIPMENT TO 8,500 PSI. STG 1) PU 3 3/8" EXP GNS, 23 GRM, .36 HOLES, 90 & 120 DEG PHASING. RIH PERF 7,933' - 38' 4SPF, 7,920' - 28' 3SPF, 44 HOLES. WHP 368 PSI, BRK 3,480 PSI @ 3.4 BPM, ISIP 2,660 PSI, FG .78. PUMP 100 BBLS @ 50 BPM @ 5,300 PSI = 60% HOLES OPEN. MP 6,312 PSI MR 52.3 BPM, AP 5,369 PSI, AR 50.8 BPM, ISIP 2,678 PSI, FG .78, NPI 18 PSI. PMP 2,445 BBLS OF SW & 85,600 LBS OF 30/50 SAND & 5,000 LBS OF RESIN SAND. TOTAL PROP PMPD 90,600 LBS.
	11:30 - 14:20	2.83	COMP	36	B	P	STG 2) PU 4 1/2" CBP & 3 3/8" EXP GNS, 23 GRM, .36 HOLES, 90 & 180 DEG PHASING. RIH SET 8K BAKER CBP @ 7,850' PERF 7,810' - 20' 2SPF, 7,737' - 42' 4SPF, 40 HOLES. WHP 606 PSI, BRK 3,392 PSI @ 4.5 BPM, ISIP 2,500 PSI, FG .76. PUMP 100 BBLS @ 53 BPM @ 4,840 PSI = 100% HOLES OPEN. MP 6,210 PSI MR 52.8 BPM, AP 4,257 PSI, AR 51.2 BPM, ISIP 2,483 PSI, FG .76, NPI -17 PSI. PMP 3,875 BBLS OF SW & 130,154 LBS OF 30/50 SAND & 5,000 LBS OF RESIN SAND. TOTAL PROP PMPD 135,154 LBS.
	14:20 - 16:30	2.17	COMP	36	B	P	STG 3) PU 4 1/2" CBP & 3 3/8" EXP GNS, 23 GRM, .36 HOLES, 90 DEG PHASING. RIH SET 8K BAKER CBP @ 7,696' PERF 7,658' - 66' 4SPF, 7,652' - 54' 4SPF, 40 HOLES. WHP 303 PSI, BRK 3,716 PSI @ 4.8 BPM, ISIP 2,542 PSI, FG .77. PUMP 100 BBLS @ 51.3 BPM @ 4,522 PSI = 100% HOLES OPEN. MP 4,615 PSI MR 54 BPM, AP 4,089 PSI, AR 52.1 BPM, ISIP 2,520 PSI, FG .77, NPI -22 PSI. PMP 2,518 BBLS OF SW & 93,615 LBS OF 30/50 SAND & 5,000 LBS OF RESIN SAND. TOTAL PROP PMPD 98,615 LBS.
	16:30 - 17:00	0.50	COMP	36	B	P	SWI WINTERIZE WELL HEAD. SDFN
							MD:
12/16/2008	SUPERVISOR: DOUG CHIVERS						
	7:00 - 7:30	0.50	COMP	48		P	HSM. FRACING & PERFORATING

	7:30 - 10:00	2.50	COMP	36	B	P	PRESSURE TEST LINES TO 10,000 PSI. STG 4) PU 4 1/2" CBP & 3 3/8" EXP GNS, 23 GRM, .36 HOLES, 90 & 180 DEG PHASING. RIH SET 8K BAKER CBP @ 7,391' PERF 7,354' - 61' 4SPF, 7,267' - 75' 4SPF, 44 HOLES. WHP 400 PSI, BRK 2,811 PSI @ 4.2 BPM, ISIP 1,550 PSI, FG .65. PUMP 100 BBLS @ 42 BPM @ 3,150 PSI = 100% HOLES OPEN. MP 3,590 PSI MR 43.1 BPM, AP 3,120 PSI, AR 41.8 BPM, ISIP 2,330 PSI, FG .76, NPI 780 PSI. PMP 1,216 BBLS OF SW & 45,799 LBS OF 30/50 SAND & 5,000 LBS OF RESIN SAND. TOTAL PROP PMPD 50,799 LBS.
	10:00 - 11:30	1.50	COMP	36	B	P	STG 5) PU 4 1/2" CBP & 3 3/8" EXP GNS, 23 GRM, .36 HOLES, 120 DEG PHASING. RIH SET 8K BAKER CBP @ 6,856' PERF 6,822' - 26' 3SPF, 6,812' - 16' 3SPF, 6,788' - 94' 3SPF, 42 HOLES. WHP 323 PSI, BRK 2,945 PSI @ 3.5 BPM, ISIP 2,001 PSI, FG .74. PUMP 100 BBLS @ 40 BPM @ 3,900 PSI = 88% HOLES OPEN. MP 4,260 PSI MR 42.8 BPM, AP 3,800 PSI, AR 41.8 BPM, ISIP 2,780 PSI, FG .85, NPI 779 PSI. PMP 685 BBLS OF SW & 18,592 LBS OF 30/50 SAND & 5,000 LBS OF RESIN SAND. TOTAL PROP PMPD 23,592 LBS.
	11:30 - 13:00	1.50	COMP	36	B	P	STG 6) PU 4 1/2" CBP & 3 3/8" EXP GNS, 23 GRM, .36 HOLES, 120 DEG PHASING. RIH SET 8K BAKER CBP @ 5,448' PERF 5,406' - 18' 3SPF, 5,315' - 17' 3SPF, 42 HOLES. WHP 323 PSI, BRK 2,945 PSI @ 3.5 BPM, ISIP 2,001 PSI, FG .74. PUMP 100 BBLS @ 40 BPM @ 3,900 PSI = 88% HOLES OPEN. MP 4,260 PSI MR 42.8 BPM, AP 3,800 PSI, AR 41.8 BPM, ISIP 2,780 PSI, FG .85, NPI 779 PSI. PMP 685 BBLS OF SW & 18,592 LBS OF 30/50 SAND & 5,000 LBS OF RESIN SAND. TOTAL PROP PMPD 23,592 LBS.
	13:00 - 17:00	4.00	COMP	31	I	P	KILL PLUG) PU 4 1/2" BAKER 8K CBP. RIH SET @ 5,265. RDMO FRAC TECH & CUTTERS. ND FRAC VALVES NU BOPS. PU 3 7/8" BIT & POBS RIH W/ 168 JTS OF TBG. EOT @ 5,241' LD 2 JTS EOT @ 5,179'. RU POWER SWIVEL. PREP TO DRL OUT. SWI SDFN.

12/17/2008 SUPERVISOR: DOUG CHIVERS MD:

	7:00 - 7:30	0.50	COMP	48		P	HSM
	7:30 - 17:00	9.50	COMP	44	C	P	OPEN WELL O#. BRK CONV CIRC. CBP 1) TAG FILL @ 5240'=25' FILL. DRL OUT CBP @ 5265' IN 8 MIN, 750# INCR. CONT RIH. CBP 2)TAG FILL @ 5428'=20' FILL. DRL OUT CBP @ 5448' IN 10 MIN, 459# INCR. CONT RIH. CBP 3)TAG FILL @ 6836'=20' FILL. DRL OUT CBP @ 6856' IN 10 MIN, 400# INCR. CONT RIH. CBP 4)TAG FILL @ 7381'=10' FILL. DRL OUT CBP @ 7391' IN 8 MIN, 250# INCR. CONT RIH. CBP 5)TAG FILL @ 7686'=10' FILL. DRL OUT CBP @ 7696' IN 8 MIN, 300# INCR. CONT RIH. CBP 6)TAG FILL @ 7820'=30' FILL. DRL OUT CBP @ 7850' IN 9 MIN, 150# INCR. CONT RIH C/O T/8100'. RD DRL EQUIP. XO. POOH LD 12 JTS 2 3/8, J-55. PU 4 1/16 TBG HNGR, LAND TBG W/ KB 15.00 HNGR .83 246 JTS 2 3/8,J-55 TBG 7677.45 BOPS 2.20 EOT @ 7698.48 ND BOP, NUWH. DROP BALL. RIG PUMP T/ TBG, PUMP BIT OFF W/ 20 BBLS 2% KCL, DIDN'T SEE IT GO. SWI FOR 30 MIN. TURN WELL OVER T/ FBC. OPEN WELL T/ PIT SICP 1350#, FTP 50#. RACK OUT RIG EQUIP. RDMO RIG. AZTEC BROUGHT 273 JTS 2 3/8, J-55. SENT BACK 27 JTS. 246 JTS IN WELL.

12/18/2008 SUPERVISOR: KEN MD:

Wins No.: 95723	BITTER CREEK 1122-4H	API No.: 4304739759

	7:00 -		33	A	7 AM FLBK REPORT: CP 1225#, TP 1075#, 20/64" CK, 53 BWPH, MED SAND, - GAS TTL BBLS RECOVERED: 1059 BBLS LEFT TO RECOVER: 11074

MD:

12/19/2008 SUPERVISOR: KEN

-

MD:

12/20/2008 SUPERVISOR: TUCKER CALDWELL

7:00 -		33	A	
9:00 -				WELL TURNED TO SALES @ 0900 HR ON 12/20/2008 - FTP 1200#, CP 2100#, CK 20/64", 1100 MCFD, 1008 BWPD

EVENT INFORMATION:

EVENT ACTIVITY: COMPLETION
OBJECTIVE: CONSTRUCTION
OBJECTIVE 2: ORIGINAL
REASON: SURFACE FAC

START DATE: 12/12/2008
END DATE: 12/12/2008
DATE WELL STARTED PROD.:
Event End Status: COMPLETE

AFE NO.: 2007651

RIG OPERATIONS:

Begin Mobilization | Rig On Location | Rig Charges | Rig Operation Start | Finish Drilling | Rig Release | Rig Off Location

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation

MD:

12/12/2008 SUPERVISOR: HAL BLANCHARD

-

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
UTU71417

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
BITTER CREEK 1122-4H

2. Name of Operator
KERR-MCGEE OIL & GAS ONSHORE LP
Contact: SHEILA UPCHEGO
E-Mail: sheila.upchego@anadarko.com

9. API Well No.
43-047-39759

3a. Address
1368 SOUTH 1200 EAST
VERNAL, UT 84078

3b. Phone No. (include area code)
Ph: 435-781-7024

10. Field and Pool, or Exploratory
UNDESIGNATED

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 4 T11S R22E SENE 2801FNL 953FEL

11. County or Parish, and State
UINTAH COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Subsurface Commingling
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

THE OPERATOR REQUESTS AUTHORIZATION TO COMMINGLE THE WASATCH AND MESAVERDE FORMATION. THE OPERATOR HAS COMMINGLED THE WASATCH AND MESAVERDE FORMATIONS. THE OPERATOR HAS PLACED THE SUBJECT WELL LOCATION ON PRODUCTION ON 12/20/2008 AT 9:00 AM.

PLEASE REFER TO THE ATTACHED WASATCH AND MESAVERDE COMPLETION PROCEDURE.

COPY SENT TO OPERATOR
Date: 1·27·2009
Initials: KS

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #65834 verified by the BLM Well Information System
For KERR-MCGEE OIL & GAS ONSHORE L, sent to the Vernal

Name *(Printed/Typed)* SHEILA UPCHEGO — Title OPERATIONS

Signature (Electronic Submission) — Date 12/23/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By * — Title Pet Eng — Date 1/22/09

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office DOGM

Federal Approval Of This Action Is Necessary

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RECEIVED
DEC 31 2008
DIV. OF OIL, GAS & MINING

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

* Cause 210-04

Name: **Bitter Creek 1122-4H**
Location: **SENE-Section 4-T11S-R22E**
Uintah County, UT
Date: **December 23, 2008**

ELEVATIONS: 5618' GL 5636' KB

TOTAL DEPTH: 8357' **PBTD:** 8305'
SURFACE CASING: 9 5/8", 32.3# H-40 & 36# J-55 ST&C @ 1827'
PRODUCTION CASING: 4 1/2", 11.6#, I-80 LT&C @ 8349'
Marker Joint 3862'-3878'

TUBULAR PROPERTIES:

	BURST (psi)	COLLAPSE (psi)	DRIFT DIA. (in.)	CAPACITIES (bbl/ft)	(gal/ft)
2 3/8" 4.7# J-55 tbg	7,700	8,100	1.901"	0.00387	0.1624
4 ½" 11.6# I-80 (See above)	7780	6350	3.875"	0.0155	0.6528
2 3/8" by 4 ½" Annulus				0.0101	0.4227

TOPS:

910' Green River
1249' Bird's Nest
1618' Mahogany
3923' Wasatch
6240' MesaVerde

Estimated T.O.C. from CBL@(not ran yet)

GENERAL:

- A minimum of **25** tanks (cleaned lined 500 bbl) of recycled water will be required. Note: Use biocide in tanks and the water needs to be at least 45°F at pump time.
- All perforation depths are from Baker's Induction-Density-Neutron log dated 11/28/08.
- **6** fracturing stages required for coverage.
- Procedure calls for 6 CBP's (**8000** psi).
- Calculate open perforations after each breakdown. If less than 60% of the perforations appear to be open, ball out with 15% HCl.
- Put scale inhibitor 3 gals/1000 gals (in pad and ½ the ramp) and 10 gals/1000 gals in all flushes except the final stage. Remember to pre-load the casing with scale inhibitor for the very first stage with 10 gpt.
- 30/50 mesh Ottawa sand, **Slickwater frac**.
- Maximum surface pressure **6200** psi.
- Flush volumes are the sum of slick water and acid used during displacement (include scale inhibitor as mentioned above). DO NOT OVERDISPLACE. Stage acid and scale inhibitor if necessary to cover the next perforated interval.

- Service companies need to provide surface/production annulus pop-offs to be set for 1500 psi for each frac.
- Pump 20/40 mesh **resin coated sand** last 5,000# of all frac stages

PROCEDURE:

1. MIRU. NU and test BOP. RIH 3 7/8" mill and clean out to PBTD @ ~ 8305' if possible, or to 7970' at a minimum. Circulate hole clean with recycled water. POOH. Run CBL (if needed). Pressure test BOP and casing to **6200** psi.

2. Perf the following with 3-3/8" gun, 23 gm, 0.36"hole:

Zone	From	To	spf	# of shots
MESAVERDE	7920	7928	3	24
MESAVERDE	7933	7938	4	20

3. Breakdown perfs and establish injection rate (include scale inhibitor in fluid). Spot 250 gals of 15% HCL and let soak 5-10 min. Fracture as outlined in Stage 1 on attached listing. Under-displace to ~7870' and trickle 250gal 15%HCL w/ scale inhibitor in flush. Note: Tight spacing b/t stages.

4. Set 8000 psi CBP at ~7850'. Perf the following 3-3/8" gun, 23 gm, 0.36"hole:

Zone	From	To	spf	# of shots
MESAVERDE	7737	7742	4	20
MESAVERDE	7810	7820	2	20

5. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 2 on attached listing. Under-displace to ~7706' and trickle 250gal 15%HCL w/ scale inhibitor in flush. Note: Stage has tight spacing.

6. Set 8000 psi CBP at ~7696'. Perf the following with 3-3/8" gun, 23 gm, 0.36" hole:

Zone	From	To	spf	# of shots
MESAVERDE	7652	7654	4	8
MESAVERDE	7658	7666	4	32

7. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 3 on attached listing. Under-displace to ~7602' and trickle 250gal 15%HCL w/ scale inhibitor in flush.

8. Set 8000 psi CBP at ~7391'. Perf the following with 3-3/8" gun, 23 gm, 0.36" hole:

Zone	From	To	spf	# of shots
MESAVERDE	7267	7275	2	16
MESAVERDE	7354	7361	4	28

9. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 4 on attached listing. Under-displace to ~7217' and trickle 250gal 15%HCL w/ scale inhibitor in flush.

10. Set 8000 psi CBP at ~6856'. Perf the following with 3-3/8" gun, 23 gm, 0.36" hole:

Zone	From	To	spf	# of shots
MESAVERDE	6788	6794	3	18
MESAVERDE	6812	6816	3	12

MESAVERDE	6822	6826	3	12

11. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 5 on attached listing. Under-displace to ~6738' and trickle 250gal 15%HCL w/ scale inhibitor in flush.

12. Set 8000 psi CBP at ~5448'. Perf the following with 3-3/8" gun, 23 gm, 0.36" hole:

Zone	From	To	spf	# of shots
WASATCH	5315	5317	3	6
WASATCH	5406	5418	3	36

13. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 6 on attached listing. Under-displace to ~5265' and flush only with recycled water.

14. Set 8000 psi CBP at~5265'.

15. TIH with 3 7/8" bit, pump off sub, SN and tubing.

16. Drill plugs and clean out to PBTD. Shear off bit and land tubing at ±**7707**' unless indicated otherwise by the well's behavior.

17. RDMO.

For design questions, please call
David Cocciolone, Denver, CO
(832)-453-2043 (Cell)
(720)-929-6716 (Office)

For field implementation questions, please call
Robert Miller, Vernal, UT
4350781 7041 (Office)

Completion Engineer _____
David Cocciolone

Approving Manager_____
Rebecca Johnson

NOTES:
Estimated IP of 1.6 MMCFD.

Commingled W/MV as per Bitter Creek program.

Bitter Creek 1122-4H
Perforation and CBP Summary

Stage	Zones	Perforations Top, ft	Perforations Bottom, ft	SPF	Holes		Fracture Coverage		
1	MESAVERDE	7920	7928	3	24		7856	to	7858
	MESAVERDE	7933	7938	4	20		7876	to	7876
	MESAVERDE		No Perfs				7883	to	7883
	MESAVERDE		No Perfs				7892	to	7892
	MESAVERDE		No Perfs				7898	to	7901
	MESAVERDE		No Perfs				7907	to	7907
	MESAVERDE		No Perfs				7911	to	7915
	MESAVERDE		No Perfs				7922	to	7927
	MESAVERDE		No Perfs				7932	to	7936
	MESAVERDE		No Perfs				7938	to	7940
	MESAVERDE		No Perfs				7944	to	7944
	MESAVERDE		No Perfs				7961	to	7965
	MESAVERDE		No Perfs				7985	to	7987
	MESAVERDE		No Perfs				7989	to	7990
	MESAVERDE		No Perfs				7996	to	7997
	MESAVERDE		No Perfs				8002	to	8005
	MESAVERDE		No Perfs				8019	to	8027
	MESAVERDE		No Perfs				8028	to	8031
	# of Perfs/stage				44		CBP DEPTH	7,850	
2	MESAVERDE	7737	7742	4	20		7713	to	7721
	MESAVERDE	7810	7820	2	20		7731	to	7744
	MESAVERDE		No Perfs				7756	to	7756
	MESAVERDE		No Perfs				7761	to	7763
	MESAVERDE		No Perfs				7772	to	7772
	MESAVERDE		No Perfs				7802	to	7802
	MESAVERDE		No Perfs				7806	to	7807
	MESAVERDE		No Perfs				7808	to	7821
	MESAVERDE		No Perfs				7824	to	7828
	MESAVERDE		No Perfs				7835	to	7836
	MESAVERDE		No Perfs				7839	to	7843
	MESAVERDE		No Perfs				7846	to	7847
	# of Perfs/stage				40		CBP DEPTH	7,696	
3	MESAVERDE	7652	7654	4	8		7554	to	7555
	MESAVERDE	7658	7666	4	32		7558	to	7561
	MESAVERDE		No Perfs				7562	to	7564
	MESAVERDE		No Perfs				7569	to	7570
	MESAVERDE		No Perfs				7573	to	7578
	MESAVERDE		No Perfs				7579	to	7582
	MESAVERDE		No Perfs				7596	to	7599
	MESAVERDE		No Perfs				7609	to	7632
	MESAVERDE		No Perfs				7651	to	7654
	MESAVERDE		No Perfs				7658	to	7666
	MESAVERDE		No Perfs				7667	to	7668
	MESAVERDE		No Perfs				7671	to	7671
	MESAVERDE		No Perfs				7673	to	7675
	MESAVERDE		No Perfs				7686	to	7691
	# of Perfs/stage				40		CBP DEPTH	7,391	
4	MESAVERDE	7267	7275	2	16		7216	to	7223
	MESAVERDE	7354	7361	4	28		7237	to	7238
	MESAVERDE		No Perfs				7241	to	7276
	MESAVERDE		No Perfs				7346	to	7347
	MESAVERDE		No Perfs				7349	to	7355
	MESAVERDE		No Perfs				7356	to	7364
	MESAVERDE		No Perfs				7369	to	7370
	MESAVERDE		No Perfs				7380	to	7384
	MESAVERDE		No Perfs				7398	to	7398
	MESAVERDE		No Perfs				7408	to	7410
	MESAVERDE		No Perfs				7419	to	7421
	# of Perfs/stage				44		CBP DEPTH	6,856	
5	MESAVERDE	6788	6794	3	18		6760	to	6761
	MESAVERDE	6812	6816	3	12		6786	to	6787
	MESAVERDE	6822	6826	3	12		6788	to	6789
	MESAVERDE		No Perfs				6791	to	6794
	MESAVERDE		No Perfs				6813	to	6817
	MESAVERDE		No Perfs				6822	to	6827
	# of Perfs/stage				42		CBP DEPTH	5,448	
6	WASATCH	5315	5317	3	6		5299	to	5301
	WASATCH	5406	5418	3	36		5315	to	5317
	WASATCH		No Perfs				5346	to	5347
	WASATCH		No Perfs				5402	to	5419
	# of Perfs/stage				42		CBP DEPTH	5,265	
	Totals				252				

Fracturing Schedules
Bitter Creek 1122-4H
Slickwater Frac

Stage	Zone	Feet of Pay	Perfs Top, ft.	Perfs Bot., ft	SPF	Holes	Rate BPM	Fluid Type	Initial ppg	Final ppg	Fluid	Volume BBLs	Cum Vol BBLs	Fluid % of frac	Sand % of frac	Sand lbs	Cum. Sand lbs	Footage from CBP to Flush	Scale Inhib., gal.
1	MESAVERDE	2	7920	7928	3	24	Varied	Pump-in test			Slickwater	0	0						
	MESAVERDE	0	7933	7938	4	20	0	ISIP and 5 min ISIP											51
	MESAVERDE	0		No Perfs			50	Slickwater Pad			Slickwater	300	300	15.0%	0.0%	0	0		38
	MESAVERDE	0		No Perfs			50	Slickwater Ramp	0.25	1	Slickwater	567	867	28.3%	16.7%	14,875	14,875		36
	MESAVERDE	3		No Perfs			50	SW Sweep	0	0	Slickwater	0	867		0.0%	0	14,875		0
	MESAVERDE	0		No Perfs			50	Slickwater Ramp	1	1.5	Slickwater	567	1,433	28.3%	33.3%	29,750	44,625		36
	MESAVERDE	4		No Perfs			50	SW Sweep	0	0	Slickwater	125	1,558		0.0%	0	44,625		0
	MESAVERDE	5		No Perfs			50	Slickwater Ramp	0.5	1.5	Slickwater	71	1,630		3.4%	3,000	47,625		0
	MESAVERDE	4		No Perfs			50	Slickwater Ramp	1.5	2	Slickwater	567	2,125	28.3%	46.7%	41,650	89,275		0
	MESAVERDE	2		No Perfs			50	Flush (4-1/2")				122	2,247				89,275		51
	MESAVERDE	0		No Perfs				ISDP and 5 min ISDP											211
	MESAVERDE	4		No Perfs															
	MESAVERDE	2		No Perfs															
	MESAVERDE	1		No Perfs							Sand laden Volume								
	MESAVERDE	1		No Perfs															
	MESAVERDE	3		No Perfs															
	MESAVERDE	8		No Perfs															
	MESAVERDE	3		No Perfs															
															gal/ft	2,000	2,126	lbs sand/ft	
		42		# of Perfs/stage		44						Flush depth	7870		CBP depth	7,850		20	
							44.9	<< Above pump time (min)											
2	MESAVERDE	8	7737	7742	4	20	Varied	Pump-in test			Slickwater	0	0						
	MESAVERDE	13	7810	7820	2	20	0	ISIP and 5 min ISIP											
	MESAVERDE	0		No Perfs			50	Slickwater Pad			Slickwater	462	462	15.0%	0.0%	0	0		58
	MESAVERDE	2		No Perfs			50	Slickwater Ramp	0.25	1	Slickwater	872	1,334	28.3%	16.9%	22,888	22,888		55
	MESAVERDE	0		No Perfs			50	SW Sweep	0	0	Slickwater	125	1,459		0.0%	0	22,888		8
	MESAVERDE	0		No Perfs			50	Slickwater Ramp	1	1.5	Slickwater	872	2,330	28.3%	33.7%	45,776	68,664		55
	MESAVERDE	1		No Perfs			50	SW Sweep	0	0	Slickwater	250	2,580		0.0%	0	68,664		0
	MESAVERDE	13		No Perfs			50	Slickwater Ramp	0.5	1.5	Slickwater	71	2,652		2.2%	3,000	71,664		0
	MESAVERDE	4		No Perfs			50	Slickwater Ramp	1.5	2	Slickwater	872	3,452	28.3%	47.2%	64,086	135,751		0
	MESAVERDE	1		No Perfs			50	Flush (4-1/2")				120	3,572				135,751		50
	MESAVERDE	4		No Perfs				ISDP and 5 min ISDP											226
	MESAVERDE	1		No Perfs															
											Sand laden Volume								
															gal/ft	2,750	2,888	lbs sand/ft	
		47		# of Perfs/stage		40						Flush depth	7706		CBP depth	7,696		10	
							69.0	<< Above pump time (min)											
3	MESAVERDE	1	7652	7654	4	8	Varied	Pump-in test			Slickwater	0	0						
	MESAVERDE	3	7658	7666	4	32	0	ISIP and 5 min ISIP											
	MESAVERDE	2		No Perfs			50	Slickwater Pad			Slickwater	321	321	15.0%	0.0%	0	0		41
	MESAVERDE	1		No Perfs			50	Slickwater Ramp	0.25	1	Slickwater	607	929	28.3%	16.7%	15,938	15,938		38
	MESAVERDE	6		No Perfs			50	SW Sweep	0	0	Slickwater	0	929		0.0%	0	15,938		0
	MESAVERDE	3		No Perfs			50	Slickwater Ramp	1	1.5	Slickwater	607	1,536	28.3%	33.4%	31,875	47,813		38
	MESAVERDE	3		No Perfs			50	SW Sweep	0	0	Slickwater	125	1,661		0.0%	0	47,813		0
	MESAVERDE	23		No Perfs			50	Slickwater Ramp	0.5	1.5	Slickwater	71	1,732		3.1%	3,000	50,813		0
	MESAVERDE	3		No Perfs			50	Slickwater Ramp	1.5	2	Slickwater	607	2,268	28.3%	46.8%	44,625	95,438		0
	MESAVERDE	8		No Perfs			50	Flush (4-1/2")				118	2,386				95,438		48
	MESAVERDE	1		No Perfs				ISDP and 5 min ISDP											165
	MESAVERDE	0		No Perfs															
	MESAVERDE	2		No Perfs															
	MESAVERDE	6		No Perfs							Sand laden Volume								
															gal/ft	1,500	1,591	lbs sand/ft	
		60		# of Perfs/stage		40						Flush depth	7602		CBP depth	7,391		211	
							45.4	<< Above pump time (min)											
4	MESAVERDE	7	7267	7275	2	16	Varied	Pump-in test			Slickwater	0	0						
	MESAVERDE	1	7354	7361	4	28	0	ISIP and 5 min ISIP											
	MESAVERDE	35		No Perfs			40	Slickwater Pad			Slickwater	144	144	15.0%	0.0%	0	0		18
	MESAVERDE	1		No Perfs			40	Slickwater Ramp	0.25	1	Slickwater	271	415	28.3%	17.2%	7,119	7,119		17
	MESAVERDE	6		No Perfs			40	SW Sweep	0	0	Slickwater	0	415		0.0%	0	7,119		0
	MESAVERDE	8		No Perfs			40	Slickwater Ramp	1	1.5	Slickwater	271	686	28.3%	34.6%	14,238	21,356		17
	MESAVERDE	1		No Perfs			40	SW Sweep	0	0	Slickwater	0	686		0.0%	0	21,356		0
	MESAVERDE	4		No Perfs			40	Slickwater Ramp	0.5	1.5	Slickwater	0	686		0.0%	0	21,356		0
	MESAVERDE	0		No Perfs			40	Slickwater Ramp	1.5	2	Slickwater	271	957	28.3%	46.3%	19,933	41,289		0
	MESAVERDE	2		No Perfs			40	Flush (4-1/2")				112	1,069				41,289		45
	MESAVERDE	2		No Perfs				ISDP and 5 min ISDP											97
											Sand laden Volume								
															gal/ft	600	616	lbs sand/ft	
		67		# of Perfs/stage		44						Flush depth	7217		CBP depth	6,856		361	
							23.9	<< Above pump time (min)											
5	MESAVERDE	1	6788	6794	3	18	Varied	Pump-in test			Slickwater	0	0						
	MESAVERDE	1	6812	6816	3	12	0	ISIP and 5 min ISIP											
	MESAVERDE	1	6822	6826	3	12	40	Slickwater Pad			Slickwater	80	80	15.0%	0.0%	0	0		10
	MESAVERDE	3		No Perfs			40	Slickwater Ramp	0.25	1	Slickwater	152	232	28.3%	17.2%	3,984	3,984		10
	MESAVERDE	4		No Perfs			40	SW Sweep	0	0	Slickwater	0	232		0.0%	0	3,984		0
	MESAVERDE	5		No Perfs			40	Slickwater Ramp	1	1.5	Slickwater	152	384	28.3%	34.5%	7,969	11,953		10
							40	SW Sweep	0	0	Slickwater	0	384		0.0%	0	11,953		0
							40	Slickwater Ramp	0.5	1.5	Slickwater	0	384		0.0%	0	11,953		0
							40	Slickwater Ramp	1.5	2	Slickwater	152	536	28.3%	48.3%	11,156	23,109		0
							40	Flush (4-1/2")				105	640				23,109		35
								ISDP and 5 min ISDP											65
											Sand laden Volume								
															gal/ft	1,500	1,541	lbs sand/ft	
		15		# of Perfs/stage		42						Flush depth	6738		CBP depth	6,448		1,290	
							13.4	<< Above pump time (min)											
6	WASATCH	2	5316	5317	3	6	Varied	Pump-in test			Slickwater	0	0						
	WASATCH	2	5406	5418	3	36	0	ISIP and 5 min ISIP											
	WASATCH	1		No Perfs			50	Slickwater Pad			Slickwater	177	177	15.0%	0.0%	0	0		22
	WASATCH	17		No Perfs			50	Slickwater Ramp	0.25	1	Slickwater	334	511	28.3%	17.2%	8,766	8,766		21
							50	SW Sweep	0	0	Slickwater	0	511		0.0%	0	8,766		0
							50	Slickwater Ramp	1	1.5	Slickwater	334	845	28.3%	34.5%	17,531	26,297		21
							50	SW Sweep	0	0	Slickwater	0	845		0.0%	0	26,297		0
							50	Slickwater Ramp	0.5	1.5	Slickwater	0	845		0.0%	0	26,297		0
							50	Slickwater Ramp	1.5	2	Slickwater	334	1,179	28.3%	48.3%	24,544	50,841		0
							50	Flush (4-1/2")				82	1,260				50,841		0
								ISDP and 5 min ISDP											64
											Sand laden Volume								
															gal/ft	2,250	2,311	lbs sand/ft	
		22		# of Perfs/stage		42						Flush depth	6265		CBP depth	6,265		0	LOOK
							23.6												
	Totals	253				252	0.0					gals	11,176	bbls	Total Sand		435,702		
												bbls							
							3.7						24.8	tanks				Total Scale Inhib. =	828

Form [redacted]-4
(Aug [redacted]2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No. UTU71417

1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry ☐ Other
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.
Other

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No. CA: UTU-80666

2. Name of Operator KERR-MCGEE OIL & GAS ONSHORE Contact: SHEILA UPCHEGO E-Mail: sheila.upchego@anadarko.com

8. Lease Name and Well No. BITTER CREEK 1122-4H

3. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078

3a. Phone No. (include area code) Ph: 435-781-7024

9. API Well No. 43-047-39759

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface SENE 2801FNL 953FEL

At top prod interval reported below SENE 2801FNL 953FEL

At total depth SENE 2801FNL 953FEL

10. Field and Pool, or Exploratory UNDESIGNATED

11. Sec., T., R., M., or Block and Survey or Area Sec 4 T11S R22E Mer SLB

12. County or Parish UINTAH

13. State UT

14. Date Spudded 10/10/2008

15. Date T.D. Reached 11/27/2008

16. Date Completed ☐ D & A ☒ Ready to Prod. 12/20/2008

17. Elevations (DF, KB, RT, GL)* 5619 GL

18. Total Depth: MD 8357 TVD

19. Plug Back T.D.: MD 8100 TVD

20. Depth Bridge Plug Set: MD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
CBL-CCL-GR, COMP2, CN, HDI

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☒ No ☐ Yes (Submit analysis)

23. Casing and Liner Record *(Report all strings set in well)*

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
20.000	14.000 STEEL	36.7		40		28			
12.250	9.625 J-55	36.0		1840		585			
7.875	4.500 I-80	11.6		8357		1441			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	7698							

25. Producing Intervals

Formation	Top	Bottom
A) WASATCH	5315	5418
B) MESAVERDE	6788	7938
C)		
D)		

26. Perforation Record

Perforated Interval	Size	No. Holes	Perf. Status
5315 TO 5418	0.360	42	OPEN
6788 TO 7938	0.360	210	OPEN

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
5315 TO 5418	PMP 1,394 BBLS SLICK H2O & 51,396# 30/50 SD
6788 TO 7938	PMP 10,739 BBLS SLICK H2O & 398,760# 30/50 SD

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
12/20/2008	01/03/2009	24	→	0.0	1710.0	528.0			FLOWS FROM WELL

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
20/64	601	1026.0	→	0	1710	528		PGW

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
12/20/2008	01/03/2009	24	→	0.0	1718.0	528.0			FLOWS FROM WELL

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
20/64	601	1026.0	→	0	1718	528		PGW

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #66385 VERIFIED BY THE BLM WELL INFORMATION SYSTEM
**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

RECEIVED
JAN 20 2009
DIV. OF OIL, GAS & MINING

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→					

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→					

29. Disposition of Gas *(Sold, used for fuel, vented, etc.)*
SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
GREEN RIVER	910				
MAHOGANY	1618				
WASATCH	3923	6020			
MESAVERDE	6240	8312			

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.)
2. Geologic Report
3. DST Report
4. Directional Survey
5. Sundry Notice for plugging and cement verification
6. Core Analysis
7. Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #66385 Verified by the BLM Well Information System.
For KERR-MCGEE OIL & GAS ONSHORE L, sent to the Vernal

Name *(please print)* SHEILA UPCHEGO Title OPERATIONS

Signature (Electronic Submission) Date 01/16/2009

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fradulent statements or representations as to any matter within its jurisdiction.

**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****